



**STATE OF ARIZONA  
DEPARTMENT OF MINES AND  
MINERAL RESOURCES**

**71<sup>TH</sup> Annual Report  
FY 2009/2010**

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Mining is an indispensable industry for the economy and defense of the nation and the state. It produces materials that are vital for maintaining our standard of living, but does so with due concern for the environment, safety, and culture. The Department actively promotes education of the general public, with specific emphasis on children, about the immense benefits of minerals and their aesthetic beauty.

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## Personnel

### Board of Governors

Dr. Patrick F. O'Hara  
(2010) Prescott  
Dr. Mary M. Poulton  
Tucson (Resigned)  
Mr. Robert L. Holmes  
(2012) Phoenix  
Mr. P.K. Rana Medhi (2013)  
Casa Grande  
Ms. Lyn H. White (2014)  
Phoenix

### Staff

Dr. Madan M. Singh  
Director  
Nyal Niemuth  
Chief Mining Engineer  
Diane Bain  
Mineral Resources  
Specialist\*  
Sandra Regalado  
Clerk/Typist  
Dr. Jan Rasmussen  
Curator  
Pamela A.K. Wilkinson  
Education Curator\*  
Shirley Coté  
Tour Guide\*

### Part-Time Employees\*

Ann Baker  
Judith Evans  
Joanne Hesterman  
Laurette Kennedy  
Sandra McDonald  
Tom Parks  
Kim Rottas  
Janice Snell  
Danielle Touhey

\*Non-appropriated funds

## 2009/2010 Fiscal Year Financial Statement

### Appropriated Fund #1000

Appropriation .....	\$858,200
Expenditures .....	858,165
Reverted .....	\$35

### Mines and Mineral Resources Fund #3156

Beginning Balance (7/1/2010).....	\$142,001
Revenue (store sales, donations, publication sales) .....	411,841
Expenditures .....	375,040
Reduction and Transfers.....	68,600
Ending Balance.....	\$117,532

### Vision

To be the premier resource center and repository for mining and mineral information, and to maintain a world-class museum to display the preeminent mineral collection in the State of Arizona

### Mission Statement

The Department of Mines and Mineral Resources (DMMR) of the State of Arizona promotes and advocates the responsible development of mineral resources, in accordance with accepted principles of sustainable development, and provides pertinent data and support to those seeking to explore and develop mineral resources in the State of Arizona. In addition, DMMR maintains a world-class mining and mineral museum that portrays the economic and aesthetic value of minerals and educates the public with regard to the critical role of minerals and mineral resources in our society.



## Donated Funds

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Donor	Amount
Alloy, Inc.	\$600.00
APS Matching gifts	500.00
Arizona Prospectors' Association	264.00
Black Mountain Mining	50.00
Bright Beginnings School	22.00
David E. Wahl, Jr.	350.00
Denise K. Dodds	60.00
Donation Box	730.29
Erie Elementary PTO	25/00
K. John and Elizabeth Barr	2,000.00
Maricopa Lapidary Society	113.00
Mineral Collection Anon.	20.00
Mining Foundation of the Southwest	702.04
Nevada Plains Exploration Inc.	250.00
North American Environmental Corp.	250.00
Pinal Realty Investments Inc.	50.00
Rock N' Roll Marathon	1,500.00
Southwest Exploration, Inc.	250.00
Tucson Gem and Mineral Society, Inc.	30.00
Valley of the Sun Waldorf Education Assoc.	20.00



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## Mining Information Center

### Statutory Duty:

**The Department shall serve as a source of mining information for this state in matters relating to its mineral resources and monitor current mining and exploration activity.**

The Mining Information Center manages the mine files, databases, and library collections, responds to thousands of requests for information, produces the Department's publications, maintains the DMMR website, and provides assistance and co-operation on projects with other government agencies.

A major focus of the Department is information: collecting it, analyzing and cataloging it, and disseminating it. Information is gathered by field visits (limited by lack of funds), verbal information, and research. Information is evaluated, cataloged, entered into mine files, databases, and library collections. The information is made available to members of the industry, prospectors, historians, educational institutions, students, environmentalists, other government agencies, and the general public.

DMMR makes field contacts and preliminary mineral deposit assessments and studies market trends and technology to encourage investment in prospecting, exploration, development, and production of minerals.

Industry uses these data to make discoveries and generate jobs, which ultimately contributes to the State's economy, national defense, and homeland security. Successful projects contribute the largest benefit to the economy in general and tax revenues to state and county treasuries. Exploration projects in themselves, however, also make a significant contribution to the state's economy in the form of purchased labor, equipment, lodging, subsistence, services, supplies, utilities, and tax revenues. This is especially important in the rural communities.

**Website.** During FY2010 the Department's website, [www.mines.az.gov](http://www.mines.az.gov), contained general information on the Mining Information Center and the Museum, as well as technical information and data on Arizona mineral resources, mining, prospecting, geology, and mineral rights and mining law. The site contained 82 on-line DMMR publications, news of Museum events, and maintains over 300 links to mining and mineral related sites.

In FY2011 the information on the Museum will no longer appear and the Mining Information Center will become synonymous with the Department of Mines and Mineral Resources.

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## Mineral Resource Promotion

### Statutory Duty:

The Department shall promote the development of the mineral resources and industry of this state.

Among its other promotional activities, the Department participates in seminars and conferences to encourage exploration and investment in the Arizona mining industry.

#### **SME Annual Meeting, Phoenix**

Attended by Singh, Niemuth, Rasmussen, and Wilkinson.

#### **Arizona Strip Field Trip**

Singh went with Sen. Kyl's staff, BLM personnel, and industry representatives to the Arizona Strip.

#### **Field Trip to Safford Operations, Freeport-McMoRan**

Singh attended.

#### **Mark Duggan, KUAT Interview**

Singh provided information on the Rosemont Mine and smelters in Arizona.

#### **Information to Greenwire**

Singh supplied information on uranium and uranium mining and processing.

#### **Red Mountain and Hardshell Field Trip**

Niemuth attended along with Keenan Murray of the State Land Dept.

#### **Verde District AIPG Field Trip**

Niemuth attended along with Pam Wilkinson.

#### **Arizona Geological Survey Field Trip to the Resolution Copper Site**

Niemuth attended.

#### **SME Mid-Year Board Meeting**

Wilkinson attended.

## Advocate Development of Mineral Resources

### Statutory Duty:

The Department shall advocate the development of mineral resources and the production of minerals and mineral products in this state in support of its objectives.

### Section 27-108. Powers and Duties of the Director:

The director shall receive any monies to support the objectives stated in section 27-101.01 arising from grants, contracts, contributions, gratuities or reimbursements payable or distributable to this state from the United States, from state, county, municipal or other governmental sources or from private persons or corporations.

Listed below are some projects that the Department supported as part of our advocative function.

- Oct. 12, 2009 - Support sand and gravel mining application for Clay Mine Adobe, Inc.
- Jan. 8, 2010 - Support land purchase application for Freeport-McMoRan Sierrita, Inc.
- Mar. 23, 2010 - Support sand and gravel mining application for KJC Rock and Materials
- Mar. 23, 2010 - Support sand and gravel mining application for DRB Mining, Inc.
- May 7, 2010 - Support sand and gravel mining application for JDM Sand and Rock, Inc.
- May 7, 2010 - Support sand and gravel mining supplication for Cal-Mat Company/Vulcan Materials Co.
- Jun. 11, 2010 - Support permit for Resolution Copper
- Jun. 11, 2010 - Support Addwest request for changing from wet tailings discharge to dry stack disposal.

### Contracts

**Rosemont Copper Company** - Revise Economic Study to Include Pima, Santa Cruz, and Cochise Counties and the State of Arizona and Conduct a Water Consumption Study for Arizona Copper Mines  
Date: Sept. 16, 2009; Duration: 6 months; Amount: \$40,250

**U.S. Bureau of Land Management, Arizona State Office** - Update Mining Permitting Guide Handbook  
Date: Sept. 17, 2009; Duration: 1 year; Amount: \$50,000

**U.S. Bureau of Land Management, Arizona State Office** - Scanning Oversized Maps  
Date: Sept. 17, 2009; Duration 1 year; Amount: \$10,000

**American Clean Energy Resources Trust (ACERT)** - Attend Uranium-Related Meetings  
Date: Nov. 13, 2009; Duration: 1 year; Amount: \$10,000

**Arizona State Mine Inspector** - Abandoned Mine Inventory  
Date: Dec. 12, 2009; Duration: 8 months; Amount: \$10,000

**U.S. Bureau of Land Management, Arizona Strip District** - Serve as Cooperating Agency for Review of EIS for Uranium Withdrawal  
Date: Jan. 20, 2010; Duration: 2 years



## Surveys of Potential Economic Mineral Resources

### Statutory Duty:

The Department shall make surveys of potential economic mineral resources and conduct field and other investigations which may interest capital in the development of the state's mineral resources.

### Arizona Mineral Production

Commodity	2007 Value	2008 Value <sup>3</sup>	2009 Value <sup>3</sup>
Clay (bentonite)	\$1,520,000	\$1,570,000	\$1,560,000
Copper	5,290,000,000	5,880,000,000	3,620,000,000
Gemstones	1,950,000	1,960,000	1,540,000
Sand & gravel	652,000,000	563,000,000	458,000,000
Stone, crushed	145,000,000	86,900,000	141,000,000
Other <sup>1</sup>	1,170,000,000	1,260,000,000	1,200,000,000
Coal <sup>2</sup>	249,000,000	273,000,000	255,000,000
<b>Total</b>	<b>\$7,460,000,000</b>	<b>\$8,040,000,000</b>	<b>\$5,675,000,000</b>

1) Includes cement, clay, lime, gypsum, gold, molybdenum, perlite, pumice, silver, salt, dimension stone, and zeolites.

2) Arizona Department of Mines and Mineral Resources value for coal.

3) U.S. Geological Survey (USGS) data, subject to change; data rounded and may not add to totals shown, published final 2007 data, unpublished 2008 – 2009 data will be published in the Arizona Chapter of the USGS Mineral Yearbook, Area Reports: Domestic 2007 - 2009, volume II.

### **Statutory Duty:**

The Department shall conduct studies of the properties and claims of companies and individuals to assist in the exploration and development of mineral resources.

### **Statutory Duty:**

The Department shall use its authority in other ways to assist in more extensive exploration and development of the mineral resources of the state.

### **Statutory Duty:**

Provide quality mining data, evaluation and assistance relating to promoting mineral development to the legislature, federal, state and local governmental agencies and the public.

## **Studies of Properties and Claims**

The Department deals with the economic problems of small mines and mine owners on a daily basis. Small mine operators are assisted in a variety of ways and are a focus of the Department. Field visits and investigations of the small mine properties themselves has been limited by the budget and lack of personnel.

### **Use Authority in Other Ways**

This statute was added by the Legislature to ensure the Department had enough flexibility to promote the development of the mineral resources of the State, and not be limited by the more specific statutes.

### **Provide Mining Data Evaluation and Assistance**

Information on the budget was provided to both the House and the Senate. Testimony was presented to the appropriate committees. Input was provided to HB2251 and HB2617.

Federal agencies to which information was provided included the Bureau of Land Management, the National Forest Service, the U.S. Geological Survey (USGS), and the Securities and Exchange Commission (SEC). The Memorandum of Understanding (MoU) with the Coronado National forest for DMMR to serve as a cooperating agency on the Rosemont Copper Project is continuing. A MoU was signed with the USGS to provide information on Arizona mineral production for their annual reviews. Information on some suspicious mining activities was provided to SEC. A MoU was also signed with the U.S. Bureau of Land Management to serve as a co-operating agency for the EIS being prepared for the proposed withdrawal of the uranium-containing lands in the Arizona Strip.

At the State level, financial information on the Department was given to both the Office of Strategic Planning and Budgeting and the Joint Legislative Budget Committee. Several meetings were held with the Arizona State Land Department. The requests for the expansion of some sand-and-gravel and aggregate mines were reviewed. A review of the request for a land purchase for Freeport-McMoRan Sierita, Inc., was performed. Consultations were held with several divisions of the Arizona Department of Administration on a number of varied subjects. The Arizona Department of Revenue was contacted to get tax information for mining activities in the State. Information on suspicious mining actions was provided to the Arizona Corporation Commission. Requests for the records of old mines were also referred to the Commission. Data was provided to the State Mine Inspector. DMMR served on a committee to select mines for safety and reclamation awards.

Information of different types was provided to a number of county and local agencies, industrial development entities, the media and the public. Details of some of these activities are presented elsewhere in this report. Several articles related to mining appeared in the press, data for which was provided by the Department.

Singh served on the Ad Hoc Committee on Mining Regulations organized by the Legislature.

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## Conferences, Seminars, and Speaking Engagements

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### Statutory Duty:

The Department shall participate in conferences, seminars, forums, speaking engagements, public news media and other functions necessary to achieve its objectives

#### Mining Education Outreach

The Mining Foundation of the Southwest, in partnership with DMMR, is funding an Education Curator for outreach education at the Department. The program is designed to develop and implement educational programs that cover the methods of modern mining, from exploration through development and production to reclamation.

Pam Wilkinson is the geologist heading the program. In FY 2009/10 she gave presentations to 7th-grade-through-college-level students throughout Arizona. She reached **5,565** students at 39 schools and presented programs for several adult groups. In conjunction with the Society for Mining, Metallurgy, and Exploration (SME) she distributed rock and mineral kits with accompanying activities to over 1400 teachers at the Southwest Regional National Science Teachers Association (NSTA) meeting. She also partnered with the Arizona Foundation for Resource Education (AFRE) on continuing education programs for teachers regarding copper mining in Arizona.

Examples of some of the varied types of presentations also given by the Department staff are given below:

**Subcommittee on National Parks, Forests and Public Lands of the Committee on Natural Resources**, at Washington D.C., Presentation Topic: testimony

**NEI International Uranium Fuel Seminar**, Austin, TX, Presentation Topic: *A Valuable Fuel Source in Arizona*

**Westerners International**, Scottsdale Corral, Pera Club, Tempe, AZ, Presentation Topic: *The Dragon Roars While Goliath Stumbles*

**Arizona Conference**, Tucson, AZ, Presentation Topic: *Role of Copper in Industry*

**Climate Research Workshop**, Washington DC, Presentation Topic: *Security Aspects of Climate Treaty*

**Forest Service Co-op Meeting**, Presentation Topic: *Economic Impacts of Rosemont Copper Project*

**Mineralogical Society of Arizona**, Presentation Topic: *Web Mapping Tools to Aid Field Collecting*

**Leaverites**, Presentation Topic: *Mineral Collecting on Public Lands*

**Subcommittee on National Parks, Forests and Public Lands of the Committee on Natural Resources**, at Grand Canyon National Park, Presentation Topic: testimony



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## **Statutory Duty**

## **Repository of Mineral & Mining Information**

**Maintain a repository of mineral and mining information, including databases, books, periodicals, individual mine files, mine map repository files, mining district data and an archive of mine data**

DMMR's library includes the Arizona mine file collection, reference library, map archive, and photo collection.

### **Mine Files and Special Collections**

The mine file collection consists of the AzMILS database with over 11,000 records and over 5,000 hard copy files. The files contain information about mine location, mineral content, size, assay and drill data, technical and economic production potential and bibliographies. These data are unique and by far the most-used portion of the DMMR library. Newly developed information is added and additional files/records are created as new mineral occurrences are documented.

### **Map Archive**

The Department has over 1,700 cataloged mine maps, 3,000 cataloged microfiche maps, over 5,000 mine maps awaiting cataloging, and over 5,000 published mineral resource, geology, and topographic maps.

### **Photo Archives**

Thanks to volunteers, an estimated 9,000 photos, negatives, and slides have been cataloged and scanned into digital format. The images were photocopied to relieve use of the originals by the public and eventually to provide widespread access via the Department website.

Additionally, the Department has added over 4,000 digital images to the photo archives in recent years.

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## **Publications**

### **Statutory Duty:**

The Department shall publish and disseminate information and data necessary or advisable to attain its objectives

#### **Newsletter**

*Arizona Mineral Resource*, No. 52

#### **Circulars**

Circular 133, *Arizona Gem and Mineral Shows - 2009/10*

Circular 134, *Arizona Earth Science Clubs - 2009/10*

Update to Circular 119, *Listing of U.S. Bureau of Mineral Land Assessments in Arizona*

Circular 56, Revision, *Annual Assessment Requirements*

Circular 117, Revision, *Mining Claim Forms*

Circular 7, Revision, *Services of the Department to Potential Purchasers of Arizona Mineral Commodities*

Circular 136 – *Arizona Gem and Mineral Shows, 2010-2011*

Circular 137 – *Arizona Earth Science Clubs, 2010-2011*

#### **Special Reports**

Special Report 24, *Study of Mineral Production with Reference to the Rosemont Copper Project*, by Dr. M.M. Singh, 2009. 69 p.

Special Report 26, *An Assessment of the Economic Impacts of the Rosemont Copper Project*, by Dr. M. M. Singh, 2009. 58 p.

#### **Open File Reports**

Open File Report 09-28, *Testimony by DMMR Re: H.R. 644, Grand Canyon Watershed Protection Act*, by Dr. M.M. Singh, 2009. 17 p.

Open File Report 09-29, *Testimony for The Subcommittee on National Parks, Forests and Public Lands and Subcommittee on Water and Power of the Committee on Natural Resources*, by Dr. M. M. Singh, 2010. 12 pages.

#### **Annual Reports**

*70th Annual Report, FY2009—2010*

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## Assist Other Agencies and Organizations

### Statutory Duty:

**The Department shall assist federal, state and local governmental agencies and instrumentalities, economic development organizations and gem and mineral organizations.**

The Department assists other agencies and various groups almost on a daily basis; hence the specific items for each agency are too numerous to list. The help provided ranges widely, from providing information, serving on committees, presenting materials, doing research on specific topics, to meeting with them for discussions on issues relating to the mining and minerals industries. Some of the agencies involved include the Arizona Department of Environmental Quality, Arizona Corporation Commission, Securities Division, Radiation Regulatory Agency, Arizona Geological Survey, State Land Department, State Mine Inspector, Department of Economic Securities, Department of Revenue, State Parks, Board of Technical Registration, the three State universities, Department of Water Resources, the Bureau of Land Management, the regional National Forest offices, Bureau of Indian Affairs, the U.S. Geological Survey, and the Mine, Safety & Health Administration. Throughout the year the Department provides information to the county sheriffs' offices on location, condition, and depth of mine shafts that are in areas involved in searches for bodies, lost children, or stolen property.

A formal Memorandum of Understanding (MoU) was executed on June 20, 2010 with the U.S. Bureau of Land Management for cooperation on the NEPA process for the proposed land withdrawal in the Arizona Strip.



## **Statutory Duty:**

**Cooperate with the Corporation Commission in its investigations, and administration of laws relating to the sale of mining securities.**

## **Cooperate with Corporation Commission and Other Law Enforcement Agencies**

As might be expected in the leading metal-mining state, Arizona continues to be the host for an increasing number of suspicious mining activity.

There are on-going investigations in which the Department is cooperating, but cannot make public until the cases are concluded.

A sampling of a few of the suspect mining activities include:

- A continuing ploy: A company claims to be able to acquire rights to and recover large amounts of gold from the water in an underground mine workings.
- A company's geology report infers billions of dollars of gold production and a mine life of over 50 years.
- Promissory notes have been issued to buy additional equipment for a mine that is purported to be in production, but is not.
- A company uses a huge purported value on property to defraud an insurance company.

The owners of some association placer claims reported billions of dollars worth of precious metals in the first hundred feet, and particularly claimed significant values of platinum group metals that do not occur beyond crustal abundances in Arizona.

One case that has been concluded and therefore can be reported involves Earthly Mineral Solutions, Inc., a company that sold approximately \$18,000,000 worth of mining claims, mostly in Nevada, but who also had Arizona ties. The principals in the company each received three to five years sentences. The Department provided information to the Securities and Exchange Commission on the company's activities in Arizona.

The FBI investigator in the Earthly Mineral Solutions case gave a summary that can serve as example for judging mining promotions. "An investor in our economy is not entitled to a guaranteed return on his investment, nor is he entitled to have his wildest dreams come true, but an investor is entitled to the truth. By engaging in a pattern of lies, omissions and half-truths fraudulent companies present people with an investment proposal held out as a sure thing, when actually it is a long shot."

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## Mining and Mineral Museum

### Statutory Duty:

The Department shall maintain a mining and mineral museum as the state depository for collecting, cataloging and displaying mining artifacts and specimens of various ores, gemstones, lapidary material and other valuable mineral specimens.

Museum Visitation: 50,389 in FY 2009-2010

Over **25,000** school children toured the Museum.

The Museum addresses the needs of many people – hobbyists, prospectors, educators, children, rockhounds, lapidarists, mining industry professionals, and the general public – through the education program, museum exhibits, and special events.

The message of the Museum is that civilization depends on minerals that must be mined and that Arizona is a major mining state.

### Education

#### School Tours

Tours and classes for students educate the public about the uses and importance of minerals.

The museum has developed a comprehensive minerals education program that reaches thousands of Arizona school children. During 30-minute programs, children are introduced to the beauty and utility of minerals – themes that continue during their activities in the exhibit halls. In FY 2009/2010, 25,120 students visited the Museum for a program.

#### Outreach Program

In FY 2009/2010 the Museum Outreach Program visited 21 Arizona schools that, for financial or other reasons, could not come to the Museum. This program, like the in-house programs, emphasizes both the usefulness and aesthetic appeal of minerals.

#### Lapidary Classes

The Museum contains an excellent lapidary shop, with facilities for cutting, faceting, polishing, and sphere-making. A variety of lapidary classes are offered including faceting, silversmithing, lost wax casting, and wire wrapping.

#### Teacher Workshops

Throughout the year, free workshops are offered on a variety of subjects, such as rock identification, mineral identification, uses of rocks and minerals, crystals and crystal forms. These classes are available to public school, charter, and home school teachers.

## **16th Annual Minerals of Arizona Symposium**

The symposium, sponsored by the Arizona Mineral and Mining Museum Foundation and the DMMR, provides a forum for professionals and amateurs to share their knowledge of mineral occurrences, habit, and locations.

Each year mineralogists gather for the presentations and field trips.

## **Education, cont.**

### **Teachers Kits**

Every Arizona classroom teacher may receive a free Teachers' Kit containing samples of rocks and minerals, a teacher's manual, posters, and other educational aids. Volunteers assemble the kits, using donated material that they have sized and numbered. The Museum has given out over 12,500 kits to Arizona teachers since the program started.

### **Activities/Events**

**Sept. 26,** Cleanup day at the Museum

**Oct. 9,** Fulgurite exhibit at State Fair

**Oct. 17,** Family Day – 782 attendees

**Nov. 24,** Exhibit to Wickenburg Gem and Mineral Show

**Dec. 2,** Transport the assembled 1200 egg cartons with minerals to the MSTA conference

**Jan 8 - 1,** Information booth at the A.L. Flagg Show

**Jan. 17,** P.F. Chang Marathon, Museum is host to elite runners and VIP staging area

**Feb. 11-14,** Information booth and display at Tucson Gem and Mineral Show

**Feb. 12,** Governor Brewer's Centennial Museum press conference

**Feb. 20,** Prospectors Day – 592 participants

**March 28,** Clean-Up Day

**Mar. 20,** 17<sup>th</sup> Annual Mineral Symposium

**April 23,** Volunteer appreciation dinner

**May 8,** Grand opening of Copper Mine and Plant Diorama



## **BOARD OF GOVERNORS MEETING**

Monday, 16 November 2009

### **Meeting Minutes**

for

### **First Quarter FY 2010 (01 July 2009 through 30 September 2009)**

- Present: Dr. Mary M. Poulton, Vice-Chair; Mr. Robert L. Holmes, Secretary; Mr. P. K. "Rana" Medhi, Board Member
- Absent: Dr. Patrick F. O'Hara, Chair; Ms. Lyn H. White, Board Member
- Staff: Dr. Madan M. Singh, Director; Mr. Nyal J. Niemuth, Chief Mining Engineer, Dr. Jan C. Rasmussen, Museum Curator; Ms. Pamela A. K. Wilkinson, Education Curator
- Visitors: Mr. Robert Metz (MFSW).

The meeting was called to order by Vice-Chair Poulton at 10.00 AM.

Upon motion by Holmes, seconded by Medhi, the minutes of the meeting held on 14 July 2009 were approved as submitted by e-mail.

#### **Museum Fees**

It was proposed that the entrance fees to the museum for adults be raised to \$5 from the \$2 that exists currently. There is a moratorium on changing rules at the present time. The Director will explore whether the moratorium can be waived for this change.

#### **Director's Report**

##### **Budget**

A budget of \$888,900 from the General Fund was approved for the Department. \$16,500 was to be swept from the non-appropriated funds.

##### **Staff**

Mr. Keenan M. Murray was hired as Mining Engineer, starting on August 24, 2009.

##### **Meetings**

Singh attended the meetings listed below, unless indicated otherwise:

- 06 Jul – Dr. Terril (Ted) Wilson of U of A and Mr. Srikant Annavarapu of Master Geotech Services, LLC, along with Niemuth, on solar panels on mine tailings study
- 07 Jul – Interview with Arizona Daily Star on Rosemont Report, Ms. Ann Brown, Mr. Martin Rosales, Mr. Tony Davis (Daily Star), Ms. Jan Howard (StrongPoint), with Dr. Lee McPheters (ASU, Seidman Research Institute)
- 14 Jul – Mr. Conway G Ivy, President, Ivy Minerals, Inc., along with O'Hara
- 16 Jul – Prof. John T Chesley, Geosciences Department, University of Arizona
- 20-22 Jul – Meetings with Congressional delegations and staff, Washington, DC

28 Jul – Mr. Kris Hefton, VANE Minerals, and Sen. Jim Mack, Quatterra  
 28 Jul – Mr. Al Burch, BLM (by phone)  
 11 Aug – Mr Jimmy Herbert, Safford (by phone)  
 18 Aug – Rep. Russ Jones  
 18 Aug – Mr. Thomas Soteris-McNamara, OSPB  
 24 Aug - Mr. Thomas Soteris-McNamara, OSPB  
 25 Aug – Conference call on uranium  
 31 Aug – Ms. Angie Harmon, Freeport, on locomotive (by phone)  
 01 Sep – Mr. Larry Dykers, Tucson, on model progress and education curator  
 02 Sep – Mr. Al Burch and Mr. Jeff Garrett, BLM, on contracts  
 04 Sep – Ms. Maria Baier, Commissioner, State Land Department, Mr. Joe Dixon, Mr. Larry Meiers, on state lands in Arizona Strip and around Kaibab National Forest  
 14-16 Sep – Meetings in Washington, DC, including Sen. McCain and Rep. Kirkpatrick  
 23 Sep – Formation of “Ad Hoc Committee on Mining Regulations,” Rep. Russ Jones, David P Kimball, III Esq., Ms. Sydney Hay, Ms. Lyn H White.  
 23 Sep – Mr Robert L Davidoff, Office of Minerals Evaluation, Lakewood, CO, with Niemuth and Murray.  
 24 Sep – Mr. John Hauptman, Capital Planner, ADOA and associate on energy efficiency of building

#### Organization Meetings

06 Jul – Special Session of the Legislature  
 07 Jul – Arizona Geological Society, Jon Spencer speaker, on porphyry copper deposit formation  
 09 Jul – Meeting on solar power plant by Albiasa Corp.  
 16 Jul – Coronado Forest Service, cooperating agencies meeting on Rosemont  
 29 Jul – NEPA Webinar  
 30 Jul – NEPA Webinar  
 21 Aug – Attend rally at Superior High School for visit by Interior Secretary Ken Salazar, Sen. John McCain, and Rep. Ann Kirkpatrick, with Ms. Pam Wilkinson and Holmes  
 28 Aug – Serve on Selection Committee for ASMI Safety Meeting  
 01 Sep – Arizona Geological Society, Tom Zollner, speaker, on uranium  
 17 Sep – Coronado Forest Service, cooperating agencies meeting on Rosemont  
 17 Sep – SME Maricopa Section Meeting, Mr. Srikant Annavarapu, President, Master Geotech Services, “Post-Mining Land Use: Tailing ponds as solar energy farms.”

#### Administrative Activities

10 Jul – Call from Scott Holatson about mineral appraisal for a Bisbee collection  
 03 Aug – Review resumes with Holmes and Niemuth  
 06 Aug – Interviews, Mr. Keenan M Murray and Ms. Wendy Feuer (with Holmes and Niemuth)  
 12 Aug – ADOA Personnel File Review  
 14 Aug – Submit Annual Report to the Governor’s Office  
 17 Aug – Maricopa Section SME Board Meeting  
 24 Aug – Sent draft agreement to Ms. Pam Hill, Executive Director, ACERT  
 27 Aug – Submit FY 2011 budget to OSPB  
 28 Aug – Revised budget to OSPB  
 03 Sep – Send material on candidates and interviews to Ms. Rebecca Dickey, ADOA

07 Sep – Send invoice to Mr. Richard Ahern, Coronado Forest Service

#### Presentations

07 Jul – “Economic Impact of Rosemont Mine on Pima and Santa Cruz Counties,” with Dr. Lee McPheters (ASU, Seidman research Institute), Pima Community College District Office, 70 attendees, Poulton attended

21 Jul – Present testimony in connection with H R 644, to Congressional committee

09 Sep – Interview on KJZZ

21 Sep – Arizona Mining Association Lands Committee Meeting, “Status of Department of Mines and Mineral Resources.”

22 Sep – “The Dragon Awakes While Goliath Slumbers,” Leaverites, 60 persons

#### Field Trip

19-20 Aug – Field trip to Arizona Strip with Mr. Clint Chandler and Lucy Murfitt, Esq. from Sen. Jon Kyl’s office, BLM staff, and industry representatives

#### Publications

- 70<sup>th</sup> Annual Report - 2008/09
- Arizona Mineral Resource, No. 52 - prepared, but not released
- Circular 133, Arizona Gem and Mineral Shows - 2009/10
- Circular 134, Arizona Earth Science Clubs - 2009/10
- Update to Circular 119, Listing of U.S. Bureau of Mineral Land Assessments in Arizona
- Continued updating information for the annual mining review
- An Assessment of the Economic Impacts of the Rosemont Copper Project by Madan M. Singh
- Circular 117, Mining Claim Forms, revised

#### Press Releases/Media

Bain did the following:

- Telephone interview on turquoise provided to *East Valley Tribune*
- Telephone interview on Arizona gem shows provided to Arizona Hotel Concessions for their Phoenix publication
- Provided information on the museum to Katy Spining of *Valley Guide Magazine* for their Spring issue.
- Assisted Mary Rowley of StrongPoint, a public relations firm, in preparing press releases for *Economic Impact Assessment of Rosemont Copper Project*, by Singh
- Provided mine file information to Bob Spude of the Cultural Resources Management, National Park Service – Intermountain Region, for kiosks and printed information in Cochise County parks
- Provided information on DMMR to Daniel Scarpinato of the *Arizona Daily Star*

Bain and Niemuth, provided the Arizona Mining Association with an updated Department ad for the special supplement to *Southwest Contractor*

Singh supplied information to Philip A. Taylor of *Greenwire* in Washington, D.C., for an article about uranium mining in Arizona

#### Website

The website is continually being updated and improved.

Total number of hits during the quarter: 589,700

Number of unique hits (IP addresses): 24,656

#### Visitors to Reference Room

Number of visitors to the reference room: 110

#### Museum Visitors

Total number of general visitors during the quarter: 4,871

Number of students during the quarter: 2,416

Club members: 383

Persons with disabilities: 37

Scouts: 146

Number of teacher's kits distributed: 94

Volunteer hours during the quarter: 2,600

The Museum Curator's report presents more detailed information.

#### Donations

In addition to several in-kind donations the cash amounts received were \$1,424.23.

#### Activities for Ms Diane R Bain

Bain added two new records to Cochise AzMILS; reconciled database names and mine names for 9 records in Yavapai County; dispersed a stack of mine reports found in the library to the appropriate mine files. She also provided training and assistance to the new Mining Engineer. She responded to 142 inquiries, 107 e-mails, 87 phone calls, and attended to 38 visitors.

#### Plans for the next Quarter

Singh presented his plans for the next quarter.

#### Comments from the Board

Poulton questioned the proposed cuts by OSPB. Singh explained that this was based on 15% of the total budget for General Funds and for Non-appropriated funds. Poulton commented that reducing Non-appropriated funds was not being consistent with being entrepreneurial. Singh stated that he had tried to cut the rent, but that was unacceptable. Medhi asked what would happen if DMMR withheld the rent. Singh thought this would get deducted at the source.

Poulton asked the status of the economic study for Rosemont by ASU. Singh responded that it was completed and submitted; Rosemont was pleased with the results. The Forest Service requested that Cochise County be included in the study. That study has also been completed and the draft sent to Rosemont. They had a couple of minor comments and the final report should be out shortly.

Poulton raised the question of the uranium in the Arizona Strip. Singh responded that the Secretary of the Interior had issued a Segregation Order. BLM will prepare an EIS; DMMR is a cooperating agency. The first meeting will be on December 1<sup>st</sup> in Flagstaff.

Finally Poulton requested the status of the Ad Hoc Committee on Mining Regulations. Singh stated that he was a member of the Committee and the second meeting would be held that day (November 16<sup>th</sup>) at 1.00 PM. The agencies made presentations at the first meeting and industry would do so at the next. The status of DMMR is on the agenda, but will probably be discussed in another forum.

### **Chief Mining Engineer's Report**

Niemuth posted several new pages on the website, including SR 24 and OFR 09-28. He met with O'Hara, Dr. Donald Burt of ASU and Singh regarding a proposal for a USGS grant. He attended a meeting with Worsley of Renegy and NZ Legacy about the Navajo County lands over potash deposits. He delivered the final set of Sell data to the clients. At the request of the Securities Division of the Arizona Corporation Commission he met with Paul Huynh, Esq. regarding the West Mining and Innovation case. He met with Mr. Jack Davis and Mr. Louis McMahon about the Diablo and Golden Hillside projects. Niemuth completed the GITA TISA strategic plan and submitted it. He worked with Murray on the work he was to do. He also presented a review of the industry for the quarter.

### **Comments from the Board**

Niemuth mentioned that gold prices were high and copper went above \$3/lb. Gold prices have raised interest in DMMR activity. Grupo Mexico won the ASARCO suit; the impact of that was to be seen.

The staff reductions in the second quarter will result in a changed format of operation; exactly how remains to be seen. Medhi stated the disruption should be kept to a minimum.

The library collection in Dick Baker's estate needs to be resolved by the estate first, before DMMR or anyone else gets it.

### **Curator's Report**

The curator's report presented statistics of the visitors to the museum. She attended meetings for the National Science Teachers Association (NSTA) gathering in December. She edited posters for the Mining Foundation of the Southwest (MFSW). She wrote an article for FAMMM. She met with Mr. Steve Trussell about a model for the museum. Rasmussen toured the Johnson Camp mine, met with Mr. Dan Eyde in Tucson, and prepared an abstract for the New Mexico Mineral Symposium. She also spent some time with AFRE.

### **Comments by the Board**

Poulton inquired if the model could be displayed at the Arizona Conference. We will check into that possibility. Rasmussen stated that she will get the GEM Award at the SME Annual Meeting. Poulton also wanted to know if we can get some of the attendees at the Annual Meeting to visit the Museum. Rasmussen stated she will announce that. Singh mentioned that it is not possible to host a function with alcoholic drinks. That will be a drawback. Niemuth



mentioned an article in the Mining Engineering December issue will bring the Museum to the attention of the attendees.

### **Mining Foundation of the Southwest Representative**

Mr. Robert Metz, President of MFSW, had favorable comments on the Education Curator's work, the Hall of Fame exhibit, and the model that had been prepared. He said the Hall of Fame Banquet is coming up and there are 305 reservations to date. CDs of the Hall of Fame honorees will be handed out at the banquet. There may be a change in the Tucson Hall of Fame since they are running out of space.

### **Restoration of the Porter Locomotive**

Singh stated that the restoration will proceed. The legalities with Freeport-McMoRan regarding ownership were satisfactorily resolved. Freeport would retain title, but would only take it back from the Museum if the State decided to take over the Museum.

### **Public Comments**

At Poulton's suggestion, Ms. Wilkinson, Education Curator, described what she was doing. She said the all schools, except one, found her presentation valuable. She will be invited back again to most schools next year. She is primarily dealing with middle school students. High schools no longer teach Earth Sciences. In a couple of schools she has presented to Chemistry classes. (Elementary schools are generally handled by Ms. Liz Anderson, Volunteer, with travel expenses paid by grants).

### **Next Meeting Date**

The next meeting date was tentatively decided to be on January 28, 2010 at 10.00 AM in the second floor Conference Room.

### **Adjournment**

The meeting was adjourned at 11.00 AM.

### **Executive Session**

There was no Executive Session.

## **BOARD OF GOVERNORS MEETING**

Thursday, January 28, 2010

### **Meeting Minutes**

for

### **Second Quarter FY 2010 (01 October 2009 through 31 December 2009)**

- Present: Dr. Mary M. Poulton, Vice-Chair; Mr. Robert L. Holmes, Secretary; Mr. P. K. "Rana" Medhi, Board Member; Ms. Lyn H. White, Board Member
- Absent: Dr. Patrick F. O'Hara, Chair
- Staff: Dr. Madan M. Singh, Director; Mr. Nyal J. Niemuth, Chief Mining Engineer, Dr. Jan C. Rasmussen, Museum Curator; Ms. Pamela A. K. Wilkinson, Education Curator
- Visitors: Mr. Robert Metz (MFSW); Mr. Charles Connell, Jr. (Friends of the Arizona Mining and Minerals Museum).

The meeting was called to order by Vice-Chair Poulton at 10.07 AM.

Upon motion by Medhi, seconded by Holmes, the minutes of the meeting held on 14 July 2009 were re-approved as submitted by e-mail. This had to be done because the earlier meeting was declared illegal for being late in giving appropriate notice by 1½ hours.

Upon motion by Holmes, seconded by Medhi, the minutes of the meeting held on 16 November 2009 were approved as submitted by mail.

#### **Museum Fees**

No action was taken on museum fees, because the moratorium on new rules was still in effect and extended for a year. Also there may be re-organization of the museum and department soon and the rules would then have to be changed again.

#### **Director's Report**

##### **Budget**

A budget of \$858,000 from the General Fund had been approved for the Department. In addition, \$23,000 was to be swept from the non-appropriated funds. At the 5<sup>th</sup> Special Session of the Legislature held on 17-19 December 2009, Department funds were reduced by \$30,200 from the General Fund and \$34,400 from non-appropriated funds. Another \$9,090 were deducted because of the ERE associated with reduction in staff. These funds, when effected will make the Department not viable financially.

##### **Staff**

Due to the budget situation the Department reduced staff: The Mining Engineer and Administrative Assistant were cut. The Public Information Officer position was eliminated, but

a Mineral Research Specialist (MRS) position was created. The MRS position is currently being funded by contract funds from the U.S. Bureau of Land Management (BLM).

### Meetings

Singh attended the meetings listed below, unless indicated otherwise:

- 01 Oct – Ms. Margaret Burns and Mr. Michael Hammock, ADOA – personnel records
- 02 Oct – Mrs. Gary Silver – booth in front of building
- 08 Oct – Ms. Eileen Klein, OSPB – budgets
- 09 Oct – Mr. Melvin G Brender, ADOA – staffing
- 16 Oct – Ms. Lyn White at Freeport offices
- 22 Oct – Mr. Ted Nelson and Mr. Art Smith, JLBC – introduction of new analyst
- 26 Oct – Ms. Laurie Swartzbaugh and Ms. Ester Olivas, ASMI – staffing
- 26 Oct – Mr. and Mrs. Lawrence Dykers – museum progress
- 29 Oct – Mr. Melvin G Brender, ADOA – staffing
- 30 Oct – Ms. Michelle Brooks, CSB, ADOA – Accounting
- 03 Nov – Museum filming crew
- 06 Nov – Arizona Mining Association Lands Committee Conference call – budget
- 09 Nov – Ms. Michelle Brooks, Ms. Kari Watkins, CSB, ADOA (with Sandra Regalado) – Accounting
- 23 Nov – Meeting with Reps. Russ Jones and Bill Konopnicki, Ms. Lyn White, Ms. Sydney Hay, and Ms. Tiffany Figueroa (Freeport) – mining regulations
- 30 Nov – Meeting with team from Governor's office – tour museum facilities
- 05 Dec – Attended Mining Foundation of the Southwest Hall of Fame dinner
- 06 Dec – Arizona Conference Board meeting
- 07 Dec – Chaired session and presented paper at Arizona Conference, Tucson, AZ  
Nyal Niemuth and Jan Rasmussen also attended the conference
- 14 Dec – Presented and participated in workshop on Climate Research, Washington, DC
- 18 Dec – Participated in meeting of Directors on renewable energy, called by Mr. Michael Anable
- 22 Dec – Meeting with designer and architect for museum

### Organization Meetings

- 01 Oct – Attended the Arizona State Mine Inspector's Conference
- 15 Oct – Co-op meeting at Coronado Nation Forest, Tucson – Rosemont
- 15 Oct – Meeting on uranium segregation, Flagstaff
- 17 Oct – Attended Seminar on Sustainable Development at U of Arizona, Tucson
- 18-21 Oct – Attended and presented paper at Nuclear Energy Institute meeting – Austin, TX
- 22 Oct – Fennemore Craig – Rocky Mountain Law meeting program
- 30 Oct – Mining Foundation of the Southwest meeting, Arizona Historical Society, Tucson, AZ
- 02 Nov – Ad Hoc Committee on Mining Regulations meeting, House Hearing Room 1
- 16 Nov – Board Meeting
- 16 Nov – Ad Hoc Committee on Mining Regulations meeting, House Hearing Room 1
- 19 Nov – Co-op meeting at Coronado National Forest, Tucson – Rosemont
- 19 Nov – SME Maricopa Section Meeting, Ms. Anne McCafferty, U.S. Geological Survey, Denver, CO, Krumb Lecture, "Geophysical Delineation of Magnesium-Rich Ultramafic Rocks for Mineral Carbon Sequestration."

01 Dec – Co-op meeting on uranium segregation, Flagstaff, AZ  
03 Dec – Attended Emergency Evacuation Planning meeting, ADOA  
17 Dec – Attended ARPA get-together (with Nyal Niemuth); met several legislators  
18 Dec – Attended AMA and AMIGOS Boards Lunch in Museum; met several legislators

#### Administrative Activities

15-16 Oct – Prepared FY 2011 budget  
04 Nov – Talked to Dr. Krishna Parameswaran, ASARCO and Lands Committee Chair, on funds  
06 Nov – Sent executed contract to ACERT (American Clean Energy Resources Trust)  
17 Nov – Called Ms. Jacqueline Harned at CENTRA Technologies  
18 Nov – Sent signed contract to ASMI  
20 Nov – Check on “Contracts” with Ms. Mary Miller, ADOA  
23 Nov – Check on paperwork for Mineral Research Specialist position  
25 Nov – Visit by Mr. Michael Alvarez  
30 Nov – Nyal Niemuth attended ASMI contract kick-off  
02 Dec – Sent recommendations to Ms. Ralene Whitmer, House Republican staff  
18 Dec – AMA Board decided on funding Department for digitizing material  
22 Dec – Sent budget material to Mr. Ted Nelson, JLBC  
29 Dec – Sent response to SWCA comments on Rosemont  
31 Dec – Sent more information to Mr. Ted Nelson, JLBC

#### Presentations

21 Oct – “A Valuable Fuel Source In Arizona,” NEI International Uranium Fuel Seminar, Austin, TX, ~200 attendees  
28 Oct – “The Dragon Roars While Goliath Stumbles,” Westerners International, Scottsdale Corral, Pera Club, Tempe, AZ, ~50 attendees  
07 Dec – “Role of Copper in Industry,” Arizona Conference, Tucson, AZ, ~120 attendees  
14 Dec – “Security Aspects of Climate Treaty,” Climate Research Workshop, Washington, DC, 18 attendees

#### Publications

*Special Report 24, Study of Mineral Production with Reference to the Rosemont Copper Project*, by Dr. M.M. Singh, July 2009, 69 p.

*Open File Report 09-28, Testimony by DMMR Re: H.R. 644, Grand Canyon Watershed Protection Act*, by Dr. M.M. Singh, July 21, 2009, 17 p.

*Special Report 26, An Assessment of the Economic Impacts of the Rosemont Copper Project on the Economies of the Cochise/Pima/Santa Cruz Counties Study Area, Arizona, and the United States*, by Dr. M. M. Singh, November 2009, 58 p.

#### Press Releases/Media

Family Day  
Government Employees Sale

### Website

The website is continually being updated and improved.

Total number of hits during the quarter: 737,363

Number of unique hits (IP addresses): 26,952

### Visitors to Reference Room

Number of visitors to the reference room: 154

### Museum Visitors

Total number of general visitors during the quarter: 4,878

Number of students during the quarter: 7,036

Club members: 364

Persons with disabilities: 20

Scouts: 148

Number of teacher's kits distributed: 152

Volunteer hours during the quarter: 2,755.75

The Museum Curator's report presents more detailed information.

### Donations

In addition to several in-kind donations the cash amounts received were \$2,755.75

### Public Information Officer Activities

Ms. Diane Bain attended the Ad Hoc Committee on Mining Regulations on 07 Dec 2009, because both Singh and Niemuth were at the Arizona Conference. She helped to set up the AMA-AMIGOS Boards lunch on 18 Dec 2009; she also cleaned up after the event. Diane responded to 87 inquiries – 25 e-mails, 43 phone calls, and 28 visitors

### Plans for the next Quarter

Singh presented his plans for the next quarter.

### Comments from the Board

### **Chief Mining Engineer's Report**

Niemuth updated the website, attended the Red Mountain and Hardshell field trip arranged by the Arizona Geological Society (along with Keenan Murray), and attended the ASMI contract session for the subcontract for DMMR. He helped pick up files from A. F Budge Mining Co. in Scottsdale, scanned several documents for clients, and participated in a Corporation Commission meeting on a suspicious mining activity. He assisted several clients and worked on computers and IT functions as needed. He reported on the status of the mining industry.

### Comments from the Board

### **Curator's Report**

The curator's report presented statistics of the visitors to the museum. The Curator helped with the NSTA meeting in Phoenix, assembled slides for the kiosks in the Cooper Gallery, attended a



tours of the Safford and Vulture mines, presented on wulfenite at the New Mexico Mineral Symposium in Socorro, NM, and wrote an article on the museum for *Mining Engineering*. She presented comparisons of store sales for 2008 and 2009.

Comments by the Board

**Mining Foundation of the Southwest Representative**

None

**Public Comments**

None

**Election of New Officers**

Upon motion by White, seconded by Holmes, the following were unanimously elected officers for the following year: Dr. Mary M. Poulton, Chair; Mr. Robert Holmes, Vice-Chair; Mr. P.K. "Rana" Medhi, Secretary.

**Next Meeting Date**

The next meeting date was tentatively decided to be on April 22, 2010 at 10.00 AM in the second floor Conference Room.

**Adjournment**

The meeting was adjourned at 11.25 AM.

**Executive Session**

After a short break, a brief Executive Session was held.

## **BOARD OF GOVERNORS MEETING**

Thursday, April 22, 2010

### **Meeting Minutes**

for

### **Third Quarter FY 2010 (01 January 2010 through 31 March 2010)**

Present: Dr. Mary M. Poulton, Chair; Mr. Robert L. Holmes, Vice-Chair; Mr. P. K. "Rana" Medhi, Secretary; Ms. Lyn H. White, Board Member; Dr. Patrick F. O'Hara, Board Member

Staff: Dr. Madan M. Singh, Director; Mr. Nyal J. Niemuth, Chief Mining Engineer, Dr. Jan C. Rasmussen, Museum Curator; Ms. Pamela A. K. Wilkinson, Education Curator

Visitors: Joy Hernbrode, Esq. (Attorney General's Office); Mr. Robert Metz (MFSW); Mr. Richard Zimmerman; Ms. Genie Howell

The meeting was called to order by Chair Poulton at 10.03 AM.

The minutes of the Executive Session held on March 16, 2010 were approved, upon motion by Holmes, seconded by Medhi.

Upon motion by Medhi, seconded by O'Hara, the minutes of the Special Meeting held on March 29, 2010 were approved as submitted by e-mail.

Upon motion by Medhi, seconded by Holmes, the minutes (prepared by Poulton) of the teleconference held on April 8, 2010 were approved.

### **Director's Report**

#### **Budget**

A budget of \$858,000 from the General Fund had been approved for the Department. At the 5<sup>th</sup> Special Session of the Legislature held on 17-19 December 2009, Department funds were reduced by \$30,200 from the General Fund and \$34,400 from non-appropriated funds. This will make it impossible to meet the rent requirements for the fourth quarter; or the entire staff needs to be laid off. (In the following quarter arrangements have been made to get a rent relief of \$51,500 from ADOA; this needs to be approved by JCCR on April 27<sup>th</sup>).

#### **Staff**

No changes.

#### **Meetings**

Singh attended the meetings listed below, unless indicated otherwise:

05 Jan 2010 Anneliese Morgan about Rock and Roll Marathon arrangements  
15 Jan 2010 Mr Michael Anable and others, about budget

22 Jan 2010 Mr Michael Anable and others, about reorganization  
 25 Jan 2010 Mr Charles Coyle and associate, SWCA, about uranium study  
 01 Feb 2010 Mr Richard Ahern, Coronado Forest Service  
 08 Feb 2010 Ms Carolyn Pitre Wright, EEO, Governor's staff  
 18 Feb 2010 Meeting with Poulton about organization  
 18 Feb 2010 Meeting with Mr Robert Metz and Mr Lawrence Dykers (MFSW) about organization  
 23 Feb 2010 Telephone interview with Mr Phil Taylor, Greenwire, on uranium  
 05 Mar 2010 Meeting with ex-Senator James Mack and Mr Steve Trussell (ARPA)  
 09 Mar 2010 Sen. Al Melvin on uranium mining  
 09 Mar 2010 Dan Maxwell about organization  
 17 Mar 2010 Rep Russ Jones, Mr David Raber, Mr William Hernandez, Ms Nola Barnes (all ADOA), Ms Leatta McLaughlin, Mr Ted Nelson (both JLBC), Mr Mike Huckins (Natural Resources staff) on rent for building  
 18 Mar 2010 Dr Anne Woolsey on organization  
 19 Mar 2010 Mr Richard Sourbine and associates, Westlake Reed Leskosky, electrical and mechanical details of building  
 22 Jan 2010 Sen. Sylvia Allen on Amendment to HB 2251  
 31 Mar 2010 Sen. Sylvia Allen on Amendment to HB 2251

#### Organization Meetings

05 Jan 2010 Ad Hoc Committee on Mining Regulations  
 09 Jan 2010 Attended Flagg Gem and Mineral Show at Mesa Community College  
 11 Jan 2010 Attended Governor Jan Brewer's State of the State Address  
 14 Jan 2010 Mining Stakeholders Meeting in House  
 17 Jan 2010 Rock and Roll Marathon, along with Niemuth  
 20 Jan 2010 Co-operative Agency meeting with BLM, in Kanab UT  
 21 Jan 2010 Co-operative Agency meeting with Forest Service, in Tucson  
 21 Jan 2010 SME Maricopa Section Meeting, Mr Timothy Casten, Director, Underground Planning, Freeport-McMoRan Copper and Gold, Inc., "Underground Mining at PT Freeport Indonesia's Grasberg District," 75 attendees  
 25 Jan 2010 Friends of the Arizona Mining and Mineral Museum Board meeting  
 26 Jan 2010 Solar Cabinet meeting (later termed Renewable Energy Cabinet)  
 28 Jan 2010 Board Meeting  
 28 Jan 2010 Renewable Energy Summit Agenda, ASU Decision Theater, Tempe  
 02 Feb 2010 Mining Stakeholders Meeting in House  
 03 Feb 2010 Conference call with Mr Gallagher and others on Museum  
 04 Feb 2010 Meeting with Dr Post of Smithsonian, with Rasmussen, called by Ambassador Barbara Barrett  
 09 Feb 2010 Mining Stakeholders Meeting in House  
 11 Feb 2010 Renewable Energy Summit, ASU, Tempe  
 12 Feb 2010 Governor's announcement on Centennial Museum, DMMR Building  
 16 Feb 2010 Mining Stakeholders Meeting in House  
 18 Feb 2010 Co-operative Agency meeting with Forest Service, in Tucson  
 18 Feb 2010 SME Maricopa Section Meeting, Mr Brad Ross, Resolution Copper, "Artisanal Mining in Namibia," 36 attendees

23 Feb 2010 Co-operative Agency meeting with BLM and USGS in Flagstaff  
 25 Feb 2010 Meeting on HB 2617 – Mining Regulations  
 27 Feb 2010 SME Orientation and Strategic Committee meetings  
 28 Feb 2010 SME Coal and Energy, Mining and Exploration Committee meetings; Board meeting; Annual meeting  
 01-03 Mar 2010 SME meetings  
 01 Mar 2010 Stakeholder meeting on HB 2617 – Mining Regulations  
 11 Mar 2010 Western Regional Partnership Energy Committee  
 16 Mar 2010 Special Board Meeting  
 17 Mar 2010 FY 2010 Budget Update meeting  
 18 Mar 2010 Co-operative Agency meeting with Forest Service, in Tucson  
 18 Mar 2010 SME Maricopa Section Meeting, Mr Steven Holmes, General Manager, Ray Complex, ASARCO, "Update on the Ray Complex" 40 attendees  
 23 Mar 2010 CFO meeting at ADOA  
 24 Mar 2010 Overview session on HB 2003 re furloughs and performance pay reductions  
 29 Mar 2010 Special Board Meeting

#### Administrative Activities

12 Jan 2010 Called Leonard Ennis about assayer  
 13 Jan 2010 Sent revised agenda for meeting to Board  
 14 Jan 2010 Niemuth met with Ms Anneliese Morgan  
 29 Jan 2010 Sent material to Ms Elizabeth Fatovich of the Securities Exchange Commission in Florida and discussed the matter with her by telephone  
 01 Feb 2010 Sent House Resolution to Mr Michael Taylor, BLM  
 05 Feb 2010 Call from Costello, CA on gold mill  
 25 Feb 2010 Staff meeting with Joy Hernbrode, Esq about staff responsibilities  
 17 Mar 2010 Prepared invoice for BLM  
 23 Mar 2010 Comments on reports sent by Department of Land  
 25 Mar 2010 CSB meeting, Ms Michelle Brooks, Ms Kari Watkins, Ms Sandra Regalado on quarterly accounts  
 26 Mar 2010 Minutes of Special Board Meeting on March 16, 2010

#### Presentations

21 Jan 2010 Forest Service Co-op Meeting, "Economic Impacts of Rosemont Copper Project," Singh  
 12 Feb 2010 Mineral Society of Arizona, "Web Mapping Tools to Aid Field Collecting," Niemuth  
 23 Mar 2010 Leaverites, "Mineral Collecting on Public Lands," Niemuth

#### Publications

None

#### Press Releases/Media

Publicity for Family Day

#### Website

The website is continually being updated and improved.

Total number of hits during the quarter: 810,222

Number of unique hits (IP addresses): 32,175

#### Visitors to Reference Room

Number of visitors to the reference room: 139

#### Museum Visitors

Total number of general visitors during the quarter: 6,688

Number of students during the quarter: 8,799

Club members: 477

Persons with disabilities: 35

Scouts: 115

Number of teacher's kits distributed: 184

Volunteer hours during the quarter: 3,164.5

The Museum Curator's report presents more detailed information.

#### Donations

In addition to several in-kind donations the cash amounts received were \$2,508.50.

#### Comments from the Board

Medhi suggested that the nature of the discussion at the meetings should be indicated. He also thought that the goals for the quarter should be stated, so that it is possible to evaluate the results achieved. Poulton said that these should be stated in terms of the strategic plan.

A question was raised about the move for the Department and where the rent for the new space would come from. Singh stated that he had preliminary talks with ADOA; it seems the rent for the space would be transferred from the agency currently occupying the space to DMMR, and then sent back to ADOA as rent. Currently the space being considered is where the State Mine Inspector is located. The details will be established when more is known about the move.

There was some discussion about the appointment of the Director. Holmes stated he had talked to Senator Sylvia Allen about this and the current draft of the bill will be changed to state that the Director will be appointed by the Board and not the Governor.

Poulton expressed some concern about the experience of the Curator and the qualifications required. Hernbrode discussed the responsibility for the materials and mining artifacts in the Museum as indicated in the draft bill.

White explained the council structure in the bill and mentioned that it was weighted towards mining. Poulton mentioned that the suggested change could be introduced during the conference between the Senate and the House.



### **Chief Mining Engineer's Report**

Niemuth updated the Website; attended the SME Annual Meeting; catalogued the Budge Mining Co. donation; scanned several documents for various clients; discussed a couple of suspicious mineral claims; assisted Mr. Cana D'Avela, assayer; performed computer repairs and updates; worked on a subcontract with the Mines Inspector's office with Jenny Hernandez; reported on metallic and industrial mineral activity in the state.

### Comments from the Board

Poulton mentioned the importance of the scams in the industry. There was some discussion of mining recovering from the slump.

### **Curator's Report**

The curator's report presented statistics of the visitors to the museum; attended the SME Annual Meeting; worked with volunteers on museum displays; worked on organization of family day. Details of the activities are in the Curator's report.

### Comments by the Board

Poulton emphasized the importance of the educational component of the program. She also discussed the transition, particularly the gift shop. Singh explained that the gift shop occupies space and some of the rent came from the gift shop earnings. However, Singh transferred all the rent to General Funds. The gift shop funds are already kept in a separate account, so transfer to the Historical society should be smooth.

Contracts are separate and will remain intact.

It was suggested that the rent be withheld. Singh clarified that he would not take the responsibility for such an action.

### **Education Outreach**

Wilkinson outlined her activities on outreach.

### **Mining Foundation of the Southwest Representative**

Mr. Metz stated that the Foundation was pleased with the work that Wilkinson was doing.

### **Other Items**

The status of HB 2251 was discussed; White gave an update.

Upon motion by Poulton, seconded by Medhi, it was decided to get a clarification from the Attorney General's office on A.R.S. 27-110, about Board Members. Hernbrode said she would get that.

### **Public Comments**

There were no public comments.

### **Executive Session**

A short Executive Session was held starting at 11.55 AM. Then Open session resumed.

**Next Meeting Date**

The next meeting date was tentatively decided to be on July 15, 2010 at 10.00 AM in the second floor Conference Room.

**Board Resignation**

Poulton announced that she had to resign from the Board due to her other obligations.

**Adjournment**

The meeting was adjourned at 12.34 PM, upon motion by Poulton, seconded by Holmes.

**DRAFT**  
**BOARD OF GOVERNORS MEETING**  
Thursday, July 15, 2010

**Meeting Minutes**  
for  
**Fourth Quarterly Board Meeting held on July 15, 2010**

Present: Mr. Robert L. Holmes, Chair; Mr. P. K. "Rana" Medhi, Secretary; Marc A. Marra, Esq., Board Member

Absent: Ms. Lyn H. White, Board Member

Representatives from Attorney General's Office: Joy Hernbrode, Esq. (Invited)

Staff: Dr. Madan M. Singh, Director; Mr. Nyal J. Niemuth, Chief Mining Engineer; Ms. Pamela A.K. Williamson; Ms. Sandra E. Regalado, Clerk-Typist

Visitors: Mr. William Hawes, Mr. Larry Dykers, both from the Mining Foundation of the Southwest

The meeting was called to order by Chair Holmes at 10.20 AM.

The Chair asked for a roll call and found that there was quorum.

Upon motion by Medhi, seconded by Holmes, the minutes of the Third Quarterly Board Meeting held on April 22, 2010 were approved.

Upon motion by Medhi, seconded by Holmes the minutes of the Special Board Meeting held on June 24, 2010 were approved.

Approval of the minutes of the Executive Session held on June 24, 2010 was postponed until the next meeting.

**Director's Report**

**Goals**

The goals for this quarter included:

1. Get relief from the rent for the fourth quarter
2. Work on HB 2251 and its contents until passage
3. Decide on the location where DMMR is to move and work on details for the same
4. Attend Co-op agency meetings with Forest Service
5. Review sections of DEIS for Northern Arizona

### Budget

The General Fund budget for FY 2011 for the Department has been set at \$888,900. In Special Session 5 the Legislature removed \$30,200 from the DMMR budget, and in Special Session 7 another \$30,200 was taken. In accordance with HB 2251, \$589,700 will be transferred to the Arizona Historical Society. This leaves \$238,810. Of this amount \$12,700 will be removed for salaries and ERE for furlough days, leaving a balance of \$226,100. Rent will be transferred from the agency currently occupying the area into which DMMR moves.

### Staff

No changes.

### Meetings

Some of meetings listed below were attended by Singh, unless indicated otherwise:

05 Apr 2010 Senate Natural Resources Committee – Provided testimony on HB 2251 and HB 2617  
14 Apr 2010 Office of Strategic Planning and Budgeting (OSPB); discussed transition  
14 Apr 2010 Rep Russ Jones, on rent relief  
15 Apr 2010 Budget meeting with Reps Kavanaugh, Jones, ADOA Interim Director Raber, Mr. Tom Adkins (House Staff), Mr. Jack Brown (JLBC)  
19 Apr 2010 OSPB – Mr. Bill Greeney and Mr Thomas Soteros-McNamara on budgets for FY 2011  
21 Apr 2010 Senate Committee of the Whole (COW)  
06 May 2010 Mr Balgan Batbayer from Mongolia – Arizona mining practices  
11 May 2010 Ms Laurie Swartzbaugh, ASMI – about contract  
11 May 2010 Solar Expert Meeting, Tempe  
18 Apr 2010 Ms Margaret Burns and Mr Mike Hammock on personnel reviews  
26 May 2010 OSPB – Mr Thomas Soteros-McNamara – budget details  
11 Jun 2010 Interview with Mr. Mark Duggan, KUAT, about Rosemont Mine and smelters in Arizona  
23 Jun 2010 Mr Ray Maxwell and Ms Nola Barnes, ADOA about location  
23 Jun 2010 Tour of facilities with legislative staff  
25 Jun 2010 Mr Kevin Kinsall – report on department and transition  
29 Jun 2010 Mr Ryan Maxwell – visit Print Shop with Sandra Regalado  
30 Jun 2010 Dr Thomas Power presentation on Rosemont at Forest Service, Tucson

### Organization Meetings

15 Apr 2010 Renewable Energy Meeting, Skysong, Scottsdale  
15 Apr 2010 SME Maricopa Section Meeting, "Sustainable Technologies and Practices," Mr. Jeff Cornoyer, Senior Mine Geologist, Rosemont Copper Mining Co.  
22 Apr 2010 Board Meeting – 3<sup>rd</sup> Quarter  
23 Apr 2010 Volunteer Banquet  
26 Apr 2010 SME Research Council Conference call  
10 May 2010 Arizona Conference Board Meeting  
12 Apr 2010 MFSW Board Meeting, Tucson  
15 Apr 2010 SME Annual Field Trip to Safford  
20 Apr 2010 Co-op Agency Meeting with Forest Service, Tucson

- 20 Apr 2010 SME Maricopa Section Meeting, "Lower Life Cycle Costs for Water Treatment - Applying experience from the Copreco Plant, Bisbee AZ," Mr. Teryl Murray, Regional Operations Manager, USA and Mexico, BioteQ Environmental
- 09 Jun 2010 Co-op Agency Conference call on Northern Arizona EIS
- 14-15 Jun 2010 SME Government and Public Affairs Committee meeting, Phoenix
- 17 Jun 2010 SME Maricopa Section Meeting, "Drake Cement Redwall Limestone Formation – It's Importance to Cement Production," Mr. Cliff Ayres, COO Drake Cement
- 22 Jun 2010 Transition Meeting at OSPB; Bob Holmes, Bill Greeney, Thomas Soteris-McNamara, Anne Woosley, Deborah Ortiz, Michelle Brooks, Nola Barnes, Ryan Maxwell
- 24 Jun 2010 Special Board Meeting

#### Administrative Activities

- 06 Apr 2010 Call to Larry Turner about his request for funds
- 07 Apr 2010 Sent details of non-appropriated funds to OSPB
- 09 Apr 2010 Sent more information of gift shop and fund projections to OSPB
- 13 Apr 2010 Prepared monthly report for March for MFSW
- 16 Apr 2010 Sent details of rent to Ted Nelson – JLBC
- 23 Apr 2010 Sent comments on BLM DEIS Chapter 2 and RFD (Reasonable Forseeable Development)
- 26-30 Apr 2010 Annual Leave
- 07 May 2010 Sent report for April to MFSW
- 07 May 2010 Reviewed Land Department applications for JDM Sand & Gravel and for Vulcan Materials
- 28 May 2010 Sent revised draft of Water Consumption Report to Rosemont
- 02 Jun 2010 Responded to Mr. Billie Hiser about claims and restrictions
- 03 Jun 2010 Sent documents on Quri Resources to Elizabeth Fatovich, Esq at SEC, Miami
- 03 Jun 2010 Sent job descriptions of DMMR staff to Mr Thomas Soteris-McNamara at OSPB
- 09 Jun 2010 Fred Lucas here to pick up painting from Mofford Collection in Museum
- 23 Jun 2010 Visit to surplus to pick up voice recorder

#### Presentations

- 08 Apr 2010 Singh presented testimony to the Subcommittee on Subcommittee on National Parks, Forests and Public Lands of the Committee on Natural Resources, at Grand Canyon National Park

#### Publications

- Circular 136 – Arizona Gem Shows, 2010-2011
- Circular 137 – Earth Science Clubs, 2010-2011
- Third Version of Special Report 26

#### Press Releases/Media

- Forthcoming Changes in DMMR
- Posters for Government Employees Sale



#### Website

The website is continually being updated and improved.

Total number of hits during the quarter: 672,935

Number of unique hits (IP addresses): 28,871

#### Visitors to Reference Room

Number of visitors to the reference room: 136

#### Museum Visitors

Total number of general visitors during the quarter: 5,190

Number of students during the quarter: 6,869

Club members: 520

Persons with disabilities: 10

Scouts: 149

Number of teacher's kits distributed: 155

Volunteer hours during the quarter: 2,586.75

The Museum Curator's report presents more detailed information.

#### Donations

In addition to several in-kind donations the cash amounts received were \$15.00

#### Comments from the Board

Medhi suggested that the Board should review Singh's performance.

#### **Chief Mining Engineer's Report**

Niemuth updated the website and worked with Ms. Shanna Anderson of GITA on adapting the DMMR website to the State "template." He went on the Verde Valley AIPG field trip with Pam and Will Wilkinson. He attended the AzGS field trip to the Resolution Copper site. Supervised the cataloging of the A. F. Budge Mining Co. donation, and obtained Clementine reports from Mr. David Wahl. He updated Tombstone JABA collection from notes, and scanned several documents. Niemuth followed a few suspicious mining operations. Compiled Arizona copper production figures. He managed the ASMI subcontract.

#### Comments from the Board

Niemuth pointed out that the space into which DMMR is slated to move is much smaller, both in area and volume (ceilings are lower; this affects library and map storage).

#### **Curator's Report**

The Curator was not present because of a meeting with the Executive Director of the Arizona Historical Society in Tucson, but she had submitted a written report with statistics about the museum. She prepared posters for the geologic timeline, and had an opening of the copper mine diorama.

### Comments from the Board

None

#### **Education Outreach Coordinator Report**

Wilkinson gave a short report of her activities and mentioned that she prepares a monthly report for the Mining Foundation of the Southwest. She will attend the Boy Scout Jamboree and work with SME on their booth. She is working with SME and others on the new standards for the science curriculum.

Singh stated that he did not feel it would be appropriate have every staff member to present formal reports at the Board meetings. He did not plan to have Wilkinson on the agenda in the future.

#### **Opinion from Attorney General**

This was with regard to a request on A.R.S. 27-110, made on April 22, 2010 (see third quarter minutes of that date). Hernbrode stated that it was not ready yet, but would be soon. It will not be a formal opinion from the Attorney General's office, but will in writing.

#### **Relocation of Department**

Hernbrode pointed out that Singh had violated the open meetings law when he contacted the Board about the new location. It was suggested that this be discussed later.

#### **Mofford Gallery**

Holmes requested an update on its status. Singh said he had contacted both Governor Mofford and her lawyers. One painting has been removed. He understood that the rest of the items would also be removed, but the date was uncertain. He would contact the lawyers again, this time in writing.

Singh would also write to Dr. Anne Woosley and request her for meeting regarding the lapidary facilities.

#### **Mining Foundation of the Southwest Representative**

Hawes stated that the Foundation was very apprehensive about the transition and the museum. He felt that the mining industry was the only one growing with respect to the other Cs. He was not aware that the fund-raising was going that great, and this may only be a change of management. He was particularly concerned that the outreach program should continue unimpeded. Wilkinson added that she needs minerals for her classes and she would hope that those will still be available. Hawes added that he would like to see the outside exhibits and the mural at the back are not disturbed.

**Public Comments**

Dykers stated he was a major contributor to the diorama in the museum and was concerned about the transition. He felt the museum was in disarray, and not much was being done about it. Singh said that he had specifically talked to Dr. Woosley about the diorama and the model in the Copper Gallery and had been assured that these would both stay in the museum.

**Relocation**

This was resumed from the earlier item on the agenda. Singh stated that DMMR would probably be moved to 1520 West Adams, which is the building on the north side of the parking lot behind our present location. There DMMR would have just over 2,300 sq ft of space. We were originally told this was 3,600 sq ft, but then we learnt that included corridors and other common spaces. Currently DMMR is occupying over 4,200 sq ft of space. It was just pointed out to us on the day before that a 17 ft by 10 ft conference room may not be available to DMMR. This will reduce the space available further. (Since the meeting it was learnt that the conference room will be available to DMMR).

Niemuth gave some details of the move between the offices, since he had surveyed the facilities with a potential mover on the day before.

Singh requested that the Board pass a motion permitting DMMR to move to 1520 W Adams. The motion was passed.

**Vote of Thanks**

Singh suggested that the Board should give a vote of thanks to the Curator and Museum staff for their dedicated service to the museum under DMMR, since this would be the last Board meeting before the Museum is transferred over to the Arizona Historical Society on July 29, 2010. The vote was unanimous.

**Executive Session**

A brief Executive Session was held, starting at 10.50 AM and finishing at 11.00 AM.

**Date of Next Meeting**

A short meeting would be held on July 22, 2010 at 10.00 AM about a violation of the open meeting law caused by Singh contacting the Board about the relocation of the Department; probably most persons would attend by telephone.

**Adjournment**

The meeting was adjourned at 11.12 AM.

## **BOARD OF GOVERNORS MEETING**

Tuesday, March 16, 2010

### **Meeting Minutes**

for

### **Special Board Meeting held on March 16, 2010**

Present: Dr. Mary M. Poulton, Chair; Mr. Robert L. Holmes, Vice-Chair; Mr. P. K. "Rana" Medhi, Secretary; Ms. Lyn H. White, Board Member; Dr. Patrick F. O'Hara, Board Member

Representative from Attorney General's Office: Joy Hernbrode, Esq. (Invited)

Staff: Dr. Madan M. Singh, Director; Mr. Nyal J. Niemuth, Chief Mining Engineer, Dr. Jan C. Rasmussen, Museum Curator; Ms. Pamela A. K. Wilkinson, Education Curator

Visitors: Dr. Ray Grant, (Chair, Arizona Mining and Mineral Museum Foundation); Mr. William Hawes (President, Mining Foundation of the Southwest); Senator James Mack; Mr. Richard Zimmerman; Mr. Jim Warner

The meeting was called to order by Chair Poulton at 2.05 PM.

Hernbrode stated she would take some items on the agenda out of order.

### **Open Meetings Law**

A.R.S. § 38-431.09 states: "It is the public policy of this state that meetings of public bodies be conducted openly and that notices and agendas be provided for such meetings which contain such information as is reasonably necessary to inform the public of the matters to be discussed or decided."

The Attorney General's (AG) office is entrusted with enforcing the law. Ms. Hernbrode is the coordinator for the AG's office Open Meetings Law Enforcement Team. The County Attorney's office can also enforce the law. The ombudsman can investigate violations of the law, but does not enforce it.

Notice of a meeting must be posted at least 24 hours before the meeting, so that the public has the opportunity to know in advance. The minutes of the meeting should accurately reflect the proceedings of the meeting; approval of the minutes should be given careful consideration as to correctness.

There are some bills in the Legislature that may affect some changes, such as posting on the internet, but these are not statutes at this time.

Only items on the agenda should be discussed at a meeting. If a new subject crops up during the discussion it should not be discussed but should be put on the agenda for the next meeting if it is something the Board wants to discuss. The agenda should be specific enough for the public to comprehend what will be discussed. Do not use abbreviations. If an executive session is to be held, a general description of what will be discussed in that session needs to be presented, and the subject must be one of those allowed by the statute. As an example, several boards want to discuss reductions in staff or salaries. This cannot be done in executive session unless the employee(s) is (are) informed that this will be the subject of the session. If legal advice is being sought from a lawyer, then the questions should be addressed to the attorney; there should be no discussion among the members themselves. Executive sessions may also be held for the following purposes: legal negotiations, employee organizations, international or intrastate negotiations, purchase or sale of real property. The contents of executive sessions are confidential and should not be discussed in public after the meeting. The questions in executive sessions should be specific; those of a general nature should be asked in the open session. No decisions or votes should be taken in executive session. These types of sessions should only be held for the seven reasons mentioned above.

A quorum should be present to hold a meeting; if a quorum is not present it is best to not have a meeting, since everything will need to be repeated again at another meeting. It is advisable to permit attendance by telephone, to ensure a quorum can be present. It is not necessary to allow the public to be present by phone; they have the right to be present in person. You cannot require the public to identify themselves if they do not wish to do so. You do not have to permit the public to speak, but if they are allowed to do so, then you cannot be selective as to who can speak.

Board members must not discuss Board matters with each other outside the meeting. One needs to be especially careful of "chain violations." Also Board members should avoid sending e-mails to all other Board members on matters that might come before the Board. Therefore, Board members should avoid using the "reply to all" button on their email. If material needs to be distributed to the other Board members, send it to the Director for forwarding to all members. If a violation of the open meeting law occurs, report it to Ms. Hernbrode, so that appropriate action can be taken. Violations of the Open Meeting Law can result in a \$500 personal fine. Enforcement action could also entail attorney's fees which could far exceed the \$500 fine.

The Director or staff cannot poll the members as to how they will vote on a given subject before the meeting. No decisions can be made outside a public Board meeting.

### Lobbying

All lobbying should be conducted through a registered lobbyist. No gifts should be given; if anything is gifted it needs to be reported. Contacts with legislators on a personal basis are acceptable.

Public employees must refrain from advocacy. When stating something personally, one must not identify one's official position.

More detailed discussion of the Open Meetings Law and Lobbying may be found in the Arizona Agency Handbook, Chapters 7 and 16 respectively.

In response to a question from Poulton, Hernbrode stated that volunteers should be governed by the same rules as employees while on State property. She explained that Singh had asked her to explain the obligations to the staff about three weeks ago (on February 25<sup>th</sup> afternoon). The staff is prohibited from making partisan comments. The Board members are exempt from that requirement. Details are given in Chapter 3 of the Agency Handbook.

### Authority

The authority granted may be explicit or implicit. Explicit authority is stated in the statutes. Implicit authority is somewhat vague; two lines of case law have developed on that subject, so one needs to be careful.

Even if something is stated in the statutes it may be trumped by the Constitution. Besides, the law is evolving and may change.

The statutes for the Department of Mines and Mineral Resources (DMMR) provide three sets of explicit authority:

- For the Department

- For the Board

- For the Director

The Board may delegate authority to the Director. The delegation should be explicit. Ultimately the Board is responsible.

At the request of the Board, Hernbrode gave the highlights of the various sections of the statutes. Section 27-101 gives a broad brush view of the Department.

Section 27-102 spells out the tasks that the Department is to perform.

Section 27-105 gives the particulars of the Board's responsibilities.

Section 27-108 details the duties of the Director.

Section 27-107 states that the Director is hired by the Board. Singh indicated that his appointment was approved by the Governor. Hernbrode stated that is not a requirement, but some agencies (may be ADOA) might have this practice in their rules.

Section 27-110 allows the Board to delegate these listed tasks to the Director.

Section 27-109 requires the Director to report to the Board on a quarterly basis.

Section 27-112 specifies that certain information may be kept confidential.

Hernbrode stated that there is considerable overlap between the responsibilities of the Board and the Director. This is often the case. The Director reports to the Board; the Board is part of the Executive Branch of government. The Director should clarify to the Governor's office that he reports to the Board; this easier said than done.



## Legislation

Hernbrode explained that even though the Governor has a vision for the museum, there is no legislation that has been introduced to that effect. Until the legislation passes and is signed into law, the museum is still under the control of DMMR. The statute states that DMMR will have a museum, but does not specify its size or nature. The Legislature is the body that controls the authority and the monies. ADOA owns the building and is the landlord.

For details on how the Legislature works, go to their website: [www.azleg.gov](http://www.azleg.gov) and look it up.

## Executive Session

The next item on the agenda concerned the Director's role. Hernbrode asked if the Board would rather go into the Executive Session and get any legal advice it needed before taking up the Director's role. The Chair, with agreement from the Board, ruled that they would go into Executive Session.

The Board went into Executive Session.

## Post Executive Session

Chair Poulton announced the Open Session back into order.

Hernbrode announced that in the Executive Session, the Board discussed Agenda items 7A, 7B, 7C and with Singh's permission a little of 7D.

White stated that the volunteers had met with the Governor's staff and with the architect-designer. There will be legislation introduced within the next five weeks while the legislative session is still ongoing. When the legislative document is prepared, she will bring it to the Board. There will be an Oversight Board for the Centennial Museum, with a couple of members from each discipline. The Museum Curator's position will be transferred to the new entity. More meetings with the architect will occur.

The department will probably be housed in the Executive Tower, since there is space available in the building.

Medhi asked who would sponsor the new legislation. White replied that it would be the Natural Resources Committees in the House and Senate.

Poulton stated that a document should be prepared that will serve as a guide for the Director as to his relationship with the Board. She asked if a motion was required for this; it was decided that was not necessary.

## Public Comments

Dr. Ray Grant, Chair of the Arizona Mining and Mineral Museum Foundation, expressed his concern that if the control of the minerals in the museum was given to the Historical Society or some other entity, there will be the temptation to sell some of the minerals to fund other activities.

White responded that there would be persons from the mining industry represented on the Oversight Board to protect the interests of the minerals section of the museum.

Dr. Rasmussen, Curator of the Arizona Mining and Mineral Museum, stated that she was not on government time and wanted to know if there would be only one mining person on the Board.

White replied that there would probably be a couple of persons from each of the industries represented and the Museum Curator would also be there. The legislation is not ready yet, so she did not know the exact composition of the Board. The Board would provide the direction for the manager of the museum.

Mr. William Hawes, President of the Mining Foundation of the Southwest (MFSW), felt that the educational component of the museum would be affected detrimentally with the new structure. A number of school children visit the museum currently; this attendance may drop. MFSW funds an Education Curator, whose functioning may be impacted.

White stated that educational outreach would be enhanced, not only for children but also for adults.

Mr. Jim Warner said that he was a longtime resident of the state; he thought that this dream of a Centennial Museum implied hiring 20 or 30 more people when the State was in dire financial condition. To him this seemed preposterous.

With a motion to adjourn by Holmes, seconded by Medhi, the meeting was adjourned.

## **BOARD OF GOVERNORS MEETING**

Monday, March 29, 2010

### **Meeting Minutes**

for

### **Special Board Meeting held on March 29, 2010**

Present: Dr. Mary M. Poulton, Chair (by telephone); Mr. Robert L. Holmes, Vice-Chair; Mr. P. K. "Rana" Medhi, Secretary; Ms. Lyn H. White, Board Member (by telephone); Dr. Patrick F. O'Hara, Board Member

Representative from Attorney General's Office: Joy Hernbrode, Esq. (Invited)

Staff: Dr. Madan M. Singh, Director; Ms. Sandra E. Regalado, Clerk-Typist

Visitors: Senator Sylvia Allen; Dr. Ray Grant, (Chair, Arizona Mining and Mineral Museum Foundation); Mr. William Hawes (President, Mining Foundation of the Southwest); Mr. Charles Connell, Jr. (Chair, Friends of the Arizona Mining and Mineral Museum); Mr. Richard Zimmerman; Ms. Mardy Zimmerman; Ms. Genie Howell; Mr. Cliff Web (Volunteer); Professor Carlton Moore; Mrs. Moore

The meeting was called to order by Chair Poulton at 9.06 AM.

Approval of minutes of the Open Session as distributed.

Medhi said that on page 4, White stated that "rent money and the Curator's salary would be transferred to the Historical Society, as currently proposed." This should be added.

Chair asked the minutes of the meeting be approved as amended. Motion by Medhi, seconded by Holmes, the minutes were approved unanimously.

Approval of minutes of the Executive Session as distributed. Medhi suggested that these be tabled since he had not been able to get the edited version by Poulton. Chair asked if there were objections; hearing none, the approval was tabled until the next meeting.

### **History of Department**

Chair Poulton has received input from Board Members, Director, staff, volunteers, members of the public, Mining Foundation, Historical Society, Arizona Geological Society, Arizona Geological Survey, U of A (University of Arizona) Science Museum, all of which has been very valuable. It is important to note what the Department is and why. The Chair then presented the following brief history of the development of the Department:

Parentage of the department dates back to 1885 with the creation of the School of Mines at the U of A. For the School of Agriculture outreach was accomplished through extension offices in every county. The mining outreach was accomplished through the Arizona Bureau of Mines,

under a variety of names. During those early years much of the help was in assaying. By 1883 this included helping miners and collecting information and archiving it, which included geological and mineralogical samples. By 1915 this became more formal by the creation of the Bureau of Mines with a mission similar to that of the Department of Mines and Mineral Resources today. This included maintaining a library and bibliography of all literature pertaining to mining and geology, getting analyses of rock and mineral samples, visiting field sites, and collecting mineral and geological specimens for the State Mining Bureau. The U of A collection was assembled with the help of Charles Willis, who was also instrumental in contributing to the early collection for the State Mining and Mineral Museum. In 1939 the Department of Mineral Resources was created. This was an emergency measure with statutes similar to the current statutes with minor changes. Why was it necessary to create a Department of Mines when the Arizona Bureau of Mines had existed for a long time? A couple of reasons arose at the time: (1) the Department was needed to increase the material production for the impending war effort; the Department's mission differed from that of the Bureau in that the Department had increased advocacy for the commercial development of minerals in the State; (2) the Department served as a safety net, since the development of mineral resources was critical for the State. Since 1939 an important function of the Department was maintaining the mineral museum. The reason for having the mineral collection was not to have pretty specimens on display but to serve as an archive of the mineral development in the State. This represents the geologic history of the State which should not be jeopardized. It is important because it represents the mining history of Arizona and also aids in the understanding the science of the mineral resources of the State. So the museum is not just an appendage to the Department's mission but an integral part of the missions of the Department and the Bureau dating back to 1893. There have been a lot of changes in the Bureau since its inception. In 1977 the position of the State Geologist was created and in 1988 the Arizona Geological Survey was formed as a separate state entity. The Bureau of Mines became the Bureau of Geology and Mineral Technology and then the Bureau of Mineral Technology, which was later closed. So with a 117-year history, what has persisted for 71 years is the Department of Mining and Mineral Resources. Mining has been critical since the inception of Arizona and will remain a strong industry in the future. This long preamble is presented so that it can be understood that the museum is a vital part of the Department and its predecessors for a very long time. The museum does not just serve a site for the children and tourists but as a vital archive and needs to be maintained by persons with the appropriate disciplinary knowledge.

Poulton then asked if any of the Board Members had anything to add to the history of the Department. O'Hara pointed out that the Geological Survey was spun out of the Bureau of Geology and Mineral Technology, which was a part of the University of Arizona.

Poulton stated that this gives the background of where she stands and the reasons for it, as she has pondered over the matter for the past three months. Then she suggested moving to the next item on the agenda.

#### Budget and Rent

The Chair then stated that this entire problem arose because of the budget. She had requested that Singh get some answers from ADOA for a list of questions that she had prepared. Those

were distributed to all the Board members. Poulton had thought that the budget was prepared with the payroll/operations and rent as separate items, and the rent was sent back to ADOA. She now understands that the legislature makes a budget appropriation out of which rent needs to be paid. White explained that rent is a line item in the budget. Poulton then said that it is clear that one cannot look for a cheaper building, since the rent is computed on an aggregate basis for all COSF (Capital Outlay Stabilization Fund) buildings. So one needs to pay rent based on total square footage. Not paying the rent is not an option, since that constitutes a Class 4 felony. A.R.S. 41-792.01 D states in part:

“The department of administration shall transfer the amount of the rental fee adjustment assessed on a state agency from the agency account into the capital outlay stabilization fund. The rental fee authorized for state agencies occupying state owned buildings is the greater of the amount included in each agency's annual operating budget as reported by the staff of the joint legislative budget committee or the pro rata adjusted amount based on actual occupancy. The director of the department of administration, upon recommendation of the joint committee on capital review, may authorize an exemption for periods of one year or more at a time for a state agency from the full payment account transfer requirements of this subsection if the agency can demonstrate a practice of making full payment of rent on a different basis necessitated by its cash flow. If a state agency does not have the financial resources for state owned space, or does not occupy or vacates state owned space after the beginning of the fiscal year, the director of the department of administration, on recommendation of the joint committee on capital review, may authorize a whole or partial exemption from payment of the rental fee. The department of administration shall report quarterly to the director of the joint legislative budget committee on the status of rental fee collections and adjustments.”

[Note: The above A.R.S. quote was not actually read during the meeting but just referred to. It is included and highlighted here for ease of reference.]

The Chair asked the Director if he was familiar with that section of the A.R.S. Singh responded that he was and had requested a partial waiver of the rent from ADOA and JLBC (Joint Legislative Budget Committee).

Poulton stated that the statute required that to request a waiver it was necessary to have a plan to pay back the amount at some later time. Singh explained that changes in rent need to be first presented to JLBC and approved by JCCR (Joint Committee on Capital Review) before going to ADOA. Last year DMMR did not do that for paying quarterly rent, but the full rent was paid. Monies were taken from non-appropriated funds to make up the difference.

The Chair stated that looking at the budget figures DMMR would be at least \$80,000 short for paying rent. The Director responded that the figure that JLBC had computed was over \$86,000, so that figure is correct. The figures did not include the amount for the performance pay cuts and the furlough in this fiscal year. That would add nearly \$2,000 to the expenses. The total would be \$88,000, clarifying O'Hara's query on the subject. Poulton asked if the rent waiver is not approved, would this imply the Department would stop functioning. Singh said that would be the case. O'Hara asked what the drop dead date was. Singh stated that there was no drop dead

date as such, but the day the request for waiver is refused there would be no money to pay salaries. Holmes said there were different rates for different types of space; what are those? Singh stated that there were two rates for space; the office rate is \$21.02 per square foot and the storage rate is \$7.62 per square foot. White stated that Singh had tried to get a different rent for several years, but the rent rate includes maintenance, utilities and other costs. Singh added that during the last meeting with ADOA it was stated that museum space rent should actually be higher than office space.

Poulton asked that if DMMR cannot pay the rent and that money was transferred to the Historical Society, how they would be able to pay the rent. White explained that the Historical Society runs other museums and will be able to absorb the rent.

Holmes said that while the copper materials will in the museum, what would happen to the rest of the mineral collection. White responded that it had been reiterated several times that the mineral collection would remain intact and with the museum. This had been confirmed with her conversations with the Governor's office and some members of the Legislature. Holmes still insisted that the mineral displays could not be put in 20% of the space of the museum. The Chair then said that this discussion belonged under the next item on the agenda. She still wanted to complete discussion on the rent and budget item.

The Chair then asked for suggestions regarding payment of rent and payment of payroll. White stated that the scheme to make the museum part of the Historical Society and keep DMMR was intended to do just that. O'Hara suggested that mechanisms for raising funds be explored. Poulton asked about the possibility of subletting 4,200 square feet of space that is not being used between now and June 30. White indicated that State permission would be required to sublet space. O'Hara stated that this had already been done in the past and no permission was required. He asked for Hernbrode's opinion. She stated that she was not aware of the lease agreement for the building but she would look into it. Singh explained that one room was used by the Arizona Geological Survey, but no rent had been charged to them. Strictly according to the rules not only should ADOA be asked for permission, but JCCR should approve the arrangement. Holmes interjected that if the State can raise \$9 million for the Centennial Museum, the monies required to keep the Department operating is a small part of that. Singh said that we need to bear in mind that even if the funds were able to be raised, some sort of commitment would be required from the Legislature that these would not be swept. Holmes raised the question as to how the money will not be swept from the Centennial Museum. White replied that the Centennial Commission is a 501 (3)(c) organization and not funded by the State of Arizona. O'Hara stated that there are 501(3)(c) organizations connected to the Department at this time that could raise the money and pay the rent. White indicated that the museum and building are assets of the State and that the State has decided to form the Centennial Museum. O'Hara retorted that the legislation has not even been introduced. Until that passes the Legislature and is signed by the Governor, the Board has to act under the current statutes. White said that she was talking about the future operations of the Department; the shortfall for this fiscal year does need to be addressed.

Poulton wanted to know if the foundations and friends of the museum could raise the shortfall for the DMMR. After a short discussion between Dr. Ray Grant and Mr. Charles Connell it was decided that the money could be raised. Poulton stated that would take care of the funding for



this year, but if the State proceeds with its plans, what would the plan of action be. Holmes said that the Legislature should be spoken to and told that it is in the best interest of the State of Arizona to leave the museum and department the way they are now.

For the next agenda item the Chair presented a scheme in which the Department would still retain the museum but would have the other Cs join in with a smaller amount of space. Other Centennial-related projects such as a historic mining trail between old mining camps, a cattle drive, and others could be fashioned around the centennial theme. Holmes thought this was a good idea. White stated that this type of idea was discussed, but it was felt that if the other Cs were asked to contribute they would want participation on an equal footing. Holmes kept on harping on minerals getting 20% of the space, based on a statement by Gallagher, which he felt was inadequate. White explained that the design of the museum was not completed and each C would not be isolated. There would be a lot of overlap. We should wait to comment on that after the design is complete. Medhi suggested that the legislation should be postponed until the next session until some of these details are sorted out. O'Hara thought that the shortfall was being used as an excuse to take over the museum for the Centennial Museum.

Poulton enquired if DMMR has the authority to loan out part of its collection. The response was in the positive. She said that the U of A museum has been thinking of having a branch in Maricopa County, including the minerals in that museum. Perhaps the Arizona Mining and Mineral Museum could loan part of its collection to them. Hernbrode said she was not clear whether the objective was to keep the mineral collection together or have the specimens on display. Poulton said that she felt that the outside exhibits, such as the stamp mill, were an important part of the museum. She did not want to see the Department and the Museum separated. With the Department the mineral collection has a professional body to deal with its interpretation and use. Even if the Curator remains with the collection, it is not as good having a professional body associated with it. She considered the mineral collection as part of the archive. If the two are divided she regards that as a loss of 117 years of collection and the ability to tie that back to the other data in the Department. O'Hara stated that the educational aspect of the minerals was being overlooked; these were taken around the State and now there was also a person, on soft funds, who went around the State making presentations to the junior high and high school levels. These are all being done in accordance with State science standards for education. Holmes stated that the mining industry in the State was also being shortchanged. White explained that education was going to be an important part of the new arrangement; she had been assured of that by the Governor's office and the Legislature.

O'Hara suggested that the Board should lay out its position clearly. Poulton said she was looking for that if the Board could come up with a position that everyone could agree to. She would prefer if the legislation were delayed and she could develop a position with the input of all the various interest groups in the State. Medhi reiterated that the legislation should be delayed to the next session. White said that delaying the legislation was not practical since all the other groups, the building renovation, and the fund collection by the Centennial Commission needed to proceed. Medhi repeated that the legislation be delayed to the next session; he did not understand why it was being pushed. White stated that she represented the mining industry and did not want mining to be given short shrift. The bill was not being pushed, but the schedule needed to be kept. The alternative would be close the entire Department.

The Chair enquired if the legislation would just separate the Department from the Museum or would it create the Centennial Museum. White responded that the bill will separate the Department from the Museum. The section of the statute about the museum being part of DMMR will be moved to the Historical Society. An Advisory Committee will be formed to oversee the new museum and will have a couple of representatives from each of the industries represented in the museum with a couple of at-large representatives. Mining will be well represented on this Committee, so will have a say in the mineral collection and display.

The Chair wanted to know why statutory changes are required instead of just a co-operative agreement between the agencies to accomplish this. White explained that DMMR is not in the business of operating museums whereas the Historical Society does this effectively. By making the change statutorily DMMR will survive as an entity. O'Hara thought this was just a mechanism to divide and conquer. Holmes stated that without the Museum the Department would be very small. Poulton enquired if DMMR could retain control of the mineral collection, since she considered that as part of the archive. White said that the Historical Society would get the mineral collection but the other archives would remain with DMMR. However, the statute will specify that the minerals not be sold off and the collection will remain intact. Hernbrode interjected that according to the statutes, DMMR could retain control over the collection but could loan it out to the Centennial Museum. That way if someone is looking at the documents related to an area they could also see the specimens from there. White said that DMMR would have control over the mineral collection. She would check to include the mineral specimens with the archives. Holmes added that the outside exhibits also be included in that. O'Hara thought that the move and its related procedures would be expensive and it would be best if we found the shortfall funds and planned for the future and stayed as it is currently. Medhi agreed. Poulton said the collection should be loaned to the Historical Society and DMMR can then decide if some of the collection needs to be displayed elsewhere. Holmes repeated the suggestion to slow down the legislation. White explained that the structure would allow control of the minerals with DMMR but the State could handle its assets as it sees fit. The alternative would be to close everything and she would like mining to survive. O'Hara stated that how the legislation proceeds remains to be seen, but the Board should come up with a clear statement of what its position at this time.

Poulton then read out a list of items that she thought should be voted on by the Board individually. Holmes suggested she read all the items first before the Board votes on them individually. There was a short break and the meeting resumed again at 11.00 AM. The Chair explained that the reason for this arrangement was that if the Centennial Museum did not come to pass or had to be dissolved for some reason, the mineral collection would then be with the Department and would not have been dispersed. Holmes suggested that the Curator also report to the DMMR Director. Poulton thought the Curator could remain a DMMR employee, but could work with the Historical Society and should have a mineralogical background. Medhi again repeated the legislation should be slowed down.

There was considerable discussion about the need for this legislation at this time, the fact that the goal could be accomplished without changes to the current statutes for DMMR, the Curator should report to DMMR and some of the ideas on the list being prepared by the Chair. Holmes

insisted that the Board should simply state the Board does not support the legislation at this time. White explained that the announcement had been made by the Governor and that the Legislature and the mining industry were supportive of the plan. Mr. Hawes said that the Mining Foundation of the Southwest was not supportive. Singh stated that when White mentioned industry, she was referring to the Arizona Mining Association in which most major mining companies are members. Poulton continued to press the point that the Centennial Museum could be formed without severing the mineral collection from DMMR. White stated that the management of the minerals would now reside with the Historical Society.

There was some dialogue about the wording and then O'Hara presented the motion:

"The Board of Governors of DMMR supports the concept of a centennial museum, but does not believe that a statutory change removing DMMR's oversight and control of its collections and the mineral museum are necessary to achieve that goal. DMMR looks forward to working closely with the centennial museum to ensure that appropriate parts of DMMR's collection are part of the centennial museum and that Arizona's mining history is appropriately represented."

This was seconded by Holmes the above motion was passed. Medhi, Holmes, O'Hara, and Poulton voted in favor. White was absent.

Following some debate on the "bullet points" that had been put together by the Chair, Holmes advanced the following motion:

"In response to questions recently raised the Board of Governors of the Department of Mines and Mineral Resources affirms the importance of:

1. The Department of Mines and Mineral Resources maintaining control, curation, and oversight of the existing mining and mineral collections of the State Mining and Mineral Museum and the paper archives of the Department.
2. Education and outreach pertaining to mining and mineral resources development as administered by the Department.
3. Professional curation of the mining and mineral collection by a person(s) with the appropriate technical and professional experience in mining and minerals.
4. The mineral and mining collection curator reports to the Director of the Department.
5. If a Centennial museum is created, the DMMR will work with management of the new museum regarding mining and mineral displays and education outreach.
6. If a Centennial museum is created, the DMMR will work with the oversight board of the new museum."

The motion was seconded by Medhi. With Holmes, O'Hara, Medhi, and Poulton voting in favor, and White being absent, the motion passed.

The Chair then thanked all the Board members for their patience and input, and for conducting a civil discussion of the subject. She asked the Director to schedule another meeting.

#### Public Comments

Carleton Moore, Professor Emeritus of Geology at the Arizona State University, member of the Arizona Museum Association, National Association of Museums, and the Meteor Crater

Museum near Winslow. He expressed concern because many museums that change hands lose some of the materials. He was pleased with most of the actions taken by the Board. Poulton requested that Professor Moore write a letter to the Department indicating his concerns that the Board could use. This could be sent to the Board Chair or the Director. Moore agreed to do so.

Dr. Ray Grant thanked the four members of the Board for making excellent decisions.

Ms. Mardy Zimmerman stated that she had talked to Senator Sylvia Allen in the Museum before she joined the meeting and that many of the items discussed with her have been addressed by the Board. She thanked the Board for that.

Mr. William Hawes commended the Board for the actions that they have taken and he suggested that the members of the 5Cs should be taken through the museum for them to see what exists.

Mr. Cliff Webb thanked the Board for their actions.

Upon motion by O'Hara, seconded by Holmes the meeting was adjourned at 12.20 PM.