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Office of the Governor

January 29, 2016

Mr. Jared Blumenfeld
Regional Administrator
EPA Region IX
75 Hawthorne St.
San Francisco, CA 94105-3901

Dear Mr. Blumenfeld:

This letter is in response to your correspondence of December 22, 2015 seeking the position of the State of Nevada on the listing of the Anaconda Copper Mine (Site) in Lyon County on the Superfund National Priority List (NPL) and requesting an answer by January 29, 2016. Your stated reason for proposing to list the Site now is to provide federal funding to address long-term management of residual drain down fluids from the former Arimetco operations at the Site.

I am assured by the Nevada Division of Environmental Protection (NDEP) that there are no imminent health concerns at the Site that require immediate action. The Arimetco fluid management system continues to be operated to prevent releases to the environment. The State acknowledges the need for a permanent closure of the Arimetco heaps, but not the dire nature of the situation and urgency conveyed in your letter. Furthermore, I have been advised that there is no critical reason to propose listing of the Site in March, as you recommend, versus September 2016. Should it prove necessary, proposing the site for listing in September 2016 will still provide ample time for EPA to obtain federal funding to address the Arimetco issues in 2019. Because your letter was sent over the Christmas holiday, we were not able to engage our stakeholders in productive meetings until this month. Given that understanding and recent developments regarding the State's efforts to identify an alternative to NPL listing, this letter is to inform you that I will not be able to provide a formal position on this matter until April 29, 2016.

I have heard from a diverse array of community interests in the Yerington/Mason Valley area. There are differences of opinion, but the common thread among these constituents is that everyone wants to see the Site cleaned up. Obviously, the State shares that fundamental objective, but we continue to view NPL listing as an option of last resort. NPL listing is no guarantee that funding will be available when needed. In addition, our experience at this Site and Nevada's only NPL site, the Carson River Mercury Site, has shown that NPL listing tends to cast uncertainty on economic activity and that the Superfund process is inherently slow, uncertain, and costly. Those are the primary reasons why NDEP has been pursuing an alternative path to NPL listing. As you know, NDEP outlined a proposal in August 2015 that provided for cost-sharing of a phased closure of the Arimetco heap leach pads along with a phased approach to addressing groundwater, focusing on remediating the on-site source of contamination first. The initial response from Atlantic Richfield Company (ARC) and Singatse Peak Services (SPS) indicated they are open to discussing long term solutions, but neither was willing to volunteer specific commitments that would address the Arimetco portion of the Site over the long term.

On January 8, 2016, at my request, Nevada Department of Conservation and Natural Resources Director Leo Drozdoff and NDEP staff convened a meeting with local officials and representatives from the agriculture and mining industries to further discuss an alternative path to NPL listing. During that meeting, local industry representatives expressed a willingness to make a financial commitment toward assisting with the closure of the Arimetco heaps. A follow-up meeting was held on January 26, 2016 that included the same participants and representatives from ARC. The parties agreed to continue negotiations through April 2016 to determine whether a multi-party agreement is feasible. State representatives and I are encouraged by these recent developments and want to continue the negotiations which requires additional time before I can provide a formal position in response to your letter. I will complete Nevada's formal response to your inquiry no later than April 29, 2016.

Nevada is committed to working with EPA to address the issues at the Anaconda Site responsibly. Our primary concern with this Site has been and continues to be the health and well-being of community residents. Over the next few weeks, while the State aggressively pursues an alternative path to NPL listing to address the Arimetco funding gap, we urge EPA to focus its efforts on the highest priorities at the Site, including progress toward cleanup of the most significant on-site sources of groundwater contamination and investigation of the Wabuska Drain. If you have any questions regarding this letter, please contact Leo Drozdoff, DCNR Director, at 775-684-2710.

Sincere regards,

BRIAN SANDOVAL
Governor

cc: Ray Fierro, Chairman, Lyon County Board of County Commissioners
George Dini, Mayor, City of Yerington
Jeffrey Page, County Manager, Lyon County
Dan Newell, City Manager, City of Yerington
Enrique Manzanilla, Director, US EPA Region 9 Superfund Division
Leo Drozdoff, Director, Department of Conservation and Natural Resources
David Emme, Administrator, Division of Environmental Protection
John Ruhs, Nevada State Director, Bureau of Land Management
Laurie Thom, Chairman, Yerington Paiute Tribe
Bobby D. Sanchez, Chairman, Walker River Paiute Tribe