



Iron Mountain Mines, Inc.

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IRON MOUNTAIN PROPERTIES
IRON MOUNTAIN INVESTMENT CO.
IRON MOUNTAIN MINERAL COMPANY
IRON MOUNTAIN HYDROELECTRIC CO

April 21, 1990

July 18, 2005 - Corrected for re-submittal

Mr. Paul E. Simpson, Chairman
and Members of the Board
California Regional Water Quality
Control Board
Central Valley Region
415 Knollcrest Drive
Redding, CA 96002

COMMENTS AND REBUTTAL TO THE PROPOSED CIVIL LIABILITY AND PUBLIC HEARING - IRON MOUNTAIN MINE SITE.

These comments and rebuttal are made to the Water Quality Control Board (WQCB) and the public to clear up information about Iron Mountain Mine, Inc., and to state the facts concerning the Iron Mountain Mines' alleged mine water contamination problem which the WQCB claims is in violations at the Iron Mountain Mines' property.

Myth Ted Arman, Iron Mountain Mines, Inc. (IMMI), or its officers did work for Stauffer Chemical Company or were affiliated with this company.

Fact Iron Mountain Mines and properties were purchased from Stauffer Chemical Company. The Purchase Agreement was signed on October 21, 1976, after approximately one year of negotiations. *(Ted Arman never worked for Stauffer).*

Myth The Iron Mountain Mines or its property has been abandoned as stated by Mr. James C. Pedri, Supervising Engineer with the Water Quality Control Board in Redding, California. *(This private property has never been abandoned).*

Fact Since IMMI's ownership, there have been continuous mine study activities on various mine deposits, mainly Brick Flat, Richmond, Hornet, Old Mine and No. 8 Mine. This activity has been mainly periodic exploration, mine studies, mine reports, mineral process design and environmental cleanup activities on the Iron Mountain Mines property. *(The massive sulfide ore has never been mined by IMMI).*

Included in this activity is the daily operation and maintenance of two copper cementation plants and occasional mining and shipping of ore (magnetite) and mine tailing products. The purpose of this activity is to keep the mines active until full production can be resumed, to keep this property environmentally clean, and to provide a wildlife preserve where no hunting will ever be permitted.

Fact Over the past 14 years, there have been six mine leases at Iron Mountain Mines: Ruskin Development Ltd.; BRX, Ltd.; Four Star Kilmore Resources Ltd. Other mine leases are pending.

Myth Ted Arman and Iron Mountain Mines, Inc., are the cause of hazardous mine water discharging from their mines which affects fish in the Sacramento River and the drinking water in the City of Redding.

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Fact The mine water discharge at IMMI is natural and an "act of God." The company or its personnel does not cause any of the mineral on this property to leach. However, the company has proposed several processes that would control all drainages as the result of natural leaching. These proposals were rejected by EPA and the State Agencies; recently a proposal was made to EPA and the State that would directly stop mine water drainage, and again this proposal is being rejected. *(EPA made Iron Mountain a Superfund site that destroyed our financing).*

Myth IMMI is dumping tons of metal (copper, zinc, cadmium) into the Sacramento River.

Fact The discharge of minerals in the mine water at the Richmond Portal is highly diluted by the time it reaches the Sacramento River, which is approximately five miles. Further reduction of minerals occurs at the Spring Creek Debris Dam. Therefore, it is estimated that less than one percent of mine water is affecting the Sacramento River. Example: Shasta Dam releases approximately 6,500 cfs based on annual averages. The Richmond Portal has a natural mine water flow of 50 gpm based on annual averages. The results are less than one percent of the mine water from the Richmond that could affect the Sacramento River. A cup of coffee or soda pop spilled in a large swimming pool would be more damaging. The alleged mine water problems are insignificant and do not justify this site to be on Superfund.

Myth IMMI is causing fish kills in the Sacramento River.

Fact Since IMMI's ownership over the past 14 years, there has not been any hard evidence of fish kills with autopsies known to IMMI; a threat is not an actual fact. IMMI is continually blamed for all the problems with the Sacramento River. If past mining is the problem, it should be known that there are 19 other mines in the west and east Shasta Mining District that have mine drainages into the Sacramento River. Pesticides, herbicides, leaky septic tanks around Redding, toxic household products, low water temperature, and an array of other causes are the real problems, not just Iron Mountain Mines. More toxics are leaving each home and business in Redding daily than would leave Iron Mountain Mine Property in one year.

Myth IMMI is the only discharger of heavy metal into local streams on the Iron Mountain Mines Property.

Fact During EPA's remedial action, their contractor, CH 2 M Hill, spilled more heavy metal sulfides into Boulder Creek than has been spilled over the past 100 years of mining at this site. The clear evidence of this possible toxic problem is the spillage of iron sulfides into Boulder Creek and the spillage of sulfides along seven miles of private road on Iron Mountain property. No attempt has been made to date by EPA or CH2M Hill to cleanup this problem, and no enforcement is made by WQCB, Fish and Game, or Health Department over these problems. These sulfides contain copper, zinc, and cadmium and will remain on the bottom of Boulder Creek until cleanup is made by EPA and their contractors.

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Fact The hazardous ranking score (HRS) used to qualify the Iron Mountain site for the National Priority List (NPL) was used by the EPA in a process to make a Record of Decision (ROD) based on a Remedial Investigation/Feasibility Study. Superfund was then authorized by Congress, based on this administrative process. The strict designation guideline for this process is in the Federal Registrar which is published and updated monthly.

Fact IMMI was placed on the NPL and a ROD authorized by Congress based on false and misleading information in the HRS conducted and calculated by the WQCB in Redding. The Federal Registrar clearly states that a site must have a minimum score of 28.5 based on surface water, ground water, and air. The score given by the WQCB staff was over 56.8, the 3rd highest score in the United States, even ahead of Love Canal. However, the actual score t IMMI is "0" based on a private study conducted by Robert S. Miller and Associates in Sacramento. The state agencies and EPA chose to ignore the data in this private study and listed the Iron Mountain Mines property as a Superfund site.

Myth The Minnesota Flats pyrite tailing product was causing ground and surface water problems affecting 10 residential drinking water wells and the City of Redding drinking water supply because the site was within 2.5 miles of the City of Redding's Municipal intake.

Fact There were no drinking wells near the Minnesota Flats tailing pile, and the City of Redding intake for drinking water is over eight miles from this site. When this product pile was removed by EPA contractors, there was no ground water. The site was placed on Superfund for remedial action at the cost of \$73 million to attempt to cleanup a problem that does not exist.

Fact The Minnesota Flats pyrite was a commercial product basically used as an additive in fertilizer. EPA and their contractor, CH 2 M Hill, destroyed this product by moving it to Brick Flat on the Iron Mountain Mines property and burying it. All Best fertilizers had this product in it for years. The valuable minerals were basically iron, sulfide, zinc, and trace minerals. The estimated value for the total product taken by EPA is approximately \$7 million. This product was moved to Brick Flat by EPA contractors and placed onto valuable ore which is valued at an estimate of \$41 million. The estimated total damage to products, exploration areas, and taking pit-run-rock without just compensation to date is over \$52 million, not including interest for non-payment; the total due IMMI as of April 1990 is more than \$63 million. IMMI intends to collect all sums due and owing as a result of this illegal damage and taking of private property.

Fact IMMI is being held responsible for mine water that is naturally flowing out of mine portals.

Fact Two cleanup proposals were made by IMMI to EPA that would totally stop all mine water from entering local streams located on the Iron Mountain Mine property, one cleanup proposal in 1984 and the other in 1986. Both proposals were rejected by EPA. Recently, in March of 1990, another proposal to stop all mine water drainage was made by Stauffer Chemical Company and PRPS. To date this proposal has not been accepted.

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Fact The WQCB is claiming violations for mine water discharges. A fine of \$100,000 is being imposed on IMMI for not complying with orders to remove 95% of the copper from the mine water and not reporting monitoring results from August 1989 to December 1989.

Fact IMMI takes mine water samples on a regular basis. These samples are forwarded to a laboratory in Grass Valley for analysis. When the results are reported in writing, a copy is normally mailed to the WQCB. (See attached list of samples taken between August 1989 and December 1989). Also duplicate samples are taken by the WQCB, Stauffer Chemical Company and PRPS. IMMI makes every effort possible within its means to comply with orders. Stauffer Chemical Company and all of the companies involved in "take-overs" become responsible with the EPA cleanup Remedial Action at this site as Potentially Responsible Parties (PRPs). On August 15, 1989, EPA Order 42 U.S.C. 9606 was filed listing to 1989 all companies now responsible for all remedial action cleanup at this site, and as of August 15, 1989, IMMI is expecting these companies to be responsible for not only the operation and maintenance of two copper cementation plants used for cleanup, but for all other cleanup in question that was on this site before IMMI's purchase of the property.

Fact IMMI discussed the operation and maintenance of the copper cementation cleanup facilities with Stauffer Chemical Company several times. Stauffer is now owned by a French firm called Rhone-Poulenc Basic Chemicals Co. and an English firm called Imperial Chemical Industries, Inc. Followup telephone calls were made to their San Francisco Bay Area office over the past several weeks and again, on April 17, the problems were mentioned. IMMI is looking to Stauffer and PRPS to operate and maintain these facilities as ordered by EPA on August 15, 1989. *(See attached letter from Jeff Zelikson, Director, Hazardous Waste Management Division).*

Fact IMMI never intentionally neglected to operate or maintain the copper cleanup facilities at Iron Mountain, as stated in writing by Mr. Pedri in his numerous reports to the WQCB over the past several years. The real facts are that IMMI has continuously operated and monitored the copper cementation plant at the mine site, except for a two-month period when EPA's "remedial work" so befouled the cementation plant with sludge that the system would not work sufficiently to meet Court orders. *(This was the cause of the fine imposed by the Water Board).*

Fact Mr. Pedri continues to intimidate and harass IMMI every chance he gets, either in reports to the WQCB or the news media, and he knows that IMMI is not responsible for natural mine water flows at this site.

Myth The minerals in the mine water at Iron Mountain Mines are dangerous to humans and wildlife.

Fact When are copper, zinc, iron, and aluminum in health foods and breakfast cereals dangerous to one's health? On the contrary, these trace minerals are essential to good health. Milk can be dangerous to your health. If the writer of this rebuttal takes a glass of milk, he will pass out within one hour. Does that mean that milk is toxic to everyone?

Fact The mine water at Iron Mountain Mines contains minerals that are good and essential to good health, such as copper, zinc, iron, etc. Also, when used externally by applying the mine water directly to cuts, sores, or irritated skin areas, healing starts immediately, as experienced by this writer. When ponds of mineral water existed at Iron Mountain Mines, animal tracks in these ponds were noticed daily. There is something or a combination of minerals that animals like, such as the killing of mites and bacteria on their feet.

Fact The mine water minerals that are claimed to be harmful by EPA, Health Department, Fish and Game and WQCB, such as copper, zinc, iron, etc., are also in foods and medicines. Of course, they can be toxic when concentrated or used in extremes.

Myth The Iron Mountain Mines water is harmful to fish.

Fact There are many things harmful to newly hatched fish, and they will probably die if placed in cup of coffee, coke, glass of beer, or low water temperatures. All poisons that get into the water system from household products, farming, and industrial areas can be harmful to young fish.

Myth Mr. Pedri, WQCB, and Fish and Game claim that the mine water at Iron Mountain has the same acid strength as battery acid. These are direct and false statements.

Fact The mine water has sulfur in it because approximately 50% of the iron pyrite ore at Iron Mountain is sulfur. When the ore bodies leach naturally, a very weak solution of sulfur precipitates into the mine water. The sulfur solution is so diluted that it is harmless, regardless of its low pH level. Vinegar and other healthy foods are more acidic; however, this highly diluted acid from sulfur causes minerals in the iron pyrite to leach into the mine water. This leaching process has been going on at Iron Mountain for millions of years.

Fact The demonstrations put on by WQCB and Fish and Game to the news media recently to show that the mine water is the same as battery acid is vicious and misleading and should not have been allowed. The only purpose was to harm IMMI. Since the mines are not open to the public, there would never be an occasion for mine water to be in direct contact with the public. Even if mine water contact were made, it can also be demonstrated that there is not any harm to humans.

Fact If Mr. Pedri's demonstration was to impress the public that baking sodas will fizz in acidic water, then the same can be demonstrated with coke or vinegar and many other food items eaten by humans.

Fact Fishing the Sacramento River near Redding can be a delight to all fishermen. No fisherman has ever reported that IMMI is affecting their fishing. As a matter of fact, Keswick Lake, which is below Iron Mountain's property, has good fishing, particularly just below the tram building area where there is an iron pyrite tailing pile; and when it rains, sulfides drain directly into the Sacramento River and Keswick Lake. Since this tailing pile is on Bureau of Reclamation property, there has never been any criticism or violations concerning mineral sulfides that leach the same kind of minerals that leaches from Iron Mountain Mines. Obviously, the fish must like these minerals or they would not be there to be caught by fishermen.

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Fact When Shasta Dam releases water from Shasta Lake in the early Spring, there is a discharge of heavy metals from the bottom of Shasta lake that can be seen in the water below Shasta Dam and all along Keswick Lake that also has a grey metallic appearance; and, to date, no complaint has ever been made by WQCB or Fish and Game concerning this problem having any effect on fish in the lake or river.

Fact The plume in the mouth of Spring Creek has a metallic appearance from time to time, which has been blamed on Iron Mountain Mines discharge of heavy metals out of the Debris Dam or Spring Creek. However, such a plume is now the result of sulfides spilled all along Boulder Creek by EPA contractors during their remedial action operations in September of 1988. This problem, if any, is not the responsibility of Iron Mountain Mines, Inc.

Fact During Stauffer Chemical Company's ownership of Iron Mountain Mine's property up to October 1976, the WQCB did not impose any violations or fines for the discharge of mine water drainage. As a matter of fact, there was a cooperative effort advised by the WQCB for Stauffer to "do the best you can" to abate the alleged problem.

Not until IMMI bought the property were there any enforcement actions. This is bias, prejudice, and harassment. *(and discrimination)*

Fact IMMI owns and controls approximately 3,000 acres of private property at Iron Mountain Mines. Less than 100 acres is mineralized and set aside for mining. The balance of land is set aside for the preservation of wildlife on this private property in perpetuity. IMMI is very interested in conservation and keeping its property natural with little or no land development. All mining activities will be in accordance with strict environmental practices. This property is kept in good order and is cleaner than most state and federal parks. The only problems to date are with EPA and their contractors, who continue to litter with cigarette butts and beer cans and other debris. *(This was happening during EPA's construction period.)*

Fact When IMMI was being put through the administrative process by the WQCB to be placed on the NPL for Superfund, IMMI contracted with the engineering firm of Robert S. Miller and Associates to re-evaluate the HRS conducted by the WQCB who falsely made a score of 56.8, the third highest score in the nation, ahead of Love Canal. The Miller report clearly establishes that the score made by the WQCB was wrong and misleading. The EPA and all other agencies chose to disregard the Miller findings, and IMMI was named as a Superfund site.

Fact The EPA Remedial Action/Feasability Study, at the cost of \$1.3 million, was awarded to CH 2 M Hill of Redding, California, who later became the prime contractor at this site. There appears to be a direct "conflict of interest," and this contract should not have been approved. Over \$73 million is now authorized by Congress to be spent at this site, and Congress refuses to review any of its errors. *(As of December 8, 2000, Consent Decree, EPA now has \$835 million available up to the year 2030 for the remedial cleanup at Iron Mountain private property.)*

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Conclusion

IMMI believes that this site should be taken off of the NPL and Superfund and let the land owners and the PRPS correct any of the environmental cleanup problems at their own discretion and time on the environmental issues until resolved. *(If EPA would approve of IMMI projects, the funds would be available for this cleanup and all projects).*

IMMI alleges that any action taken by WQCB at Iron Mountain Mines for alleged violations to pay \$100,000 in administrative costs (*now \$495,000 plus interest*) is not justified under these circumstances for which IMMI is not responsible. It is expected that Stauffer Chemical Company and PRPS are to assume these charges and responsibility and to comply with Order No. 78-152 and 88-713 and EPA Order pursuant to 42 U.S.C. 9606 and remove Iron Mountain Mines from all such orders. The Iron Mountain property is not a threat to public health, as proven by the EPA Remedial Action/Feasibility Study conducted by CH 2 M Hill. The only threat reported in their study is the threat to fish in the Sacramento River, which has never been substantiated; therefore, IMMI is requesting the WQCB to remove IMMI from all orders requiring the daily operation of its two copper cement treatment facilities at Iron Mountain (*which are no longer in operation*) and cancel all charges for violations to date.

Thank you.

We trust that the Board will take these comments and rebuttal seriously and be considerate and reasonable in IMMI's plight to correct this gross injustice forced on IMMI for acts of God and on unfortunate circumstances over many years, acts for which IMMI should not be held responsible.

Respectfully,

Iron Mountain Mines, Inc.



T. W. Arman
President

TWA:bm

Enclosures:

Copies of laboratory water analysis reports during period in question.

Copies of copper cleanup activity chart during period in question.