Community Meeting
ASARCO Site Remediation Update

November 3, 2011

PRESENTATION BY
Site Trustee, Roberto Puga, P.G.
Project Navigator, Ltd.

www.recastingthesmelter.com
Agenda

- 2010 - 2011 Project Recap
- Current Remedy Scope
- Demolition
- Waste Disposal
- 2012 Activities
- Updated Timeline
- Community Interaction
- Stacks Issue
- Questions
2010 – 2011 Project Recap

- **Remedy Planning**
  - Consultants for the Trust have been performing investigations and preparing designs for the groundwater, soils and slag remedies as well as enhancements to the work to improve appearance along Paisano Drive and Parker Brother’s Arroyo.

- **Asset Marketing**
  - To date, more than $2 million has been paid to the Trust for lead and copper matte, and an additional $5 million has been made by the sale of other assets. An additional $7 million will be sold by the end of the 1st quarter 2012.
  - We are continuing to market all Site assets; any money generated by the sale of scrap materials goes directly to fund cleanup and remedial action of the Site.

- **Site Demolition**
  - Facility demolition began in April 2011 and is expected to take approximately 12 months.
  - Brandenburg, the demolition contractor, has paid the Trust half of the more than $1MM contract to perform site-wide demolition.
  - The two largest concrete stacks were scheduled to be demolished in the 1st Q 2012; that is now on hold.
  - The Trust has created a Site Demolition Sequence, which can be found on the website.
  - Appropriate dust monitoring and suppression activities were implemented.
  - All Health & Safety protocols were followed.
Major Trust Activities for the Past 12 Months

- Overall Management of Trust Mission
- Intensive Community Outreach
- Asset Inventory and Sales
- Design Engineering and Demolition Firm Procurement
- Management Plan Preparation
- Property Survey
- Historical Artifact Preservation and Donation
- Collecting/reviewing analytical and spatial data
  - Creation of Database
  - Data Gap Analysis
- Stack Stability Analysis
- Parker Brother’s Arroyo grant application via Congressman Reyes (in progress)
- Rail Removal
- Completed asbestos survey of remaining site facilities

- Storm water Control - Storm water is contained, tested, and discharged when the storm ponds are full.
- Air Quality - Dust control and perimeter air monitoring is performed on an ongoing basis during site work.
- Groundwater
  - Regular groundwater monitoring is performed
  - Ongoing diesel recovery with product sent to recycle facility
- Site Security - 24/7 security
- Facility Maintenance
  - Electrical system rerouting
  - Wash water treatment plant
  - Most buildings demolished
- Trustee & Occupational Safety and Health Administration (OSHA) Partnership
Remedy Planning: Soil – Old Remedy

- Excavation of Category 1
- Construction of 1 additional onsite landfill
- Asphalt pavement across the majority of the site once demolition is complete
- Provides limited opportunity for site development
- Does not address Parker Brothers Arroyo, Ephemeral Pond
- End Vision: Commercial/Industrial
Remedy Planning: Soil – New Remedy

- Excavation of Category 1 (arsenic source) material including the:
  - Ephemeral Pond
  - Boneyard
- Restoration of Parker Brothers Arroyo
- Evaluating option to install an engineered cap. (Example: Installing five feet of soil cover over the entire plant site for redevelopment purposes)
- Supplemental soil investigation is still ongoing. Results will be factored into the evaluation.
- Evaluating potential to develop east side as residential land use
- End Vision: Redevelopment as part of City of El Paso Master Plan
- New remedy is pending approval of TCEQ/EPA
Remedy Planning: Groundwater – Old Remedy

- Cut-off Slurry Wall in Floodplain
- Containment with Pump and Treat
- Requires continual treatment of groundwater in onsite water treatment plant
- Original End Vision: Commercial/Industrial
The old groundwater remedy includes a complex treatment system that would need to operate over a long period of time and have a considerable O&M tail cost.

The new groundwater remedy proposed will eliminate this complex process and provide a simpler and more cost effective remedy.
Remedy Planning: Groundwater – New Remedy

New Trust Proposed Remedy

- Groundwater to Surface Water Diversion (keeping clean water clean)
- Point Source Removal and Treatment (additionally address Boneyard and Ephemeral Pond)
- In-situ groundwater treatment, no requirement for onsite treatment plant
- Remediation of Old Smeltiertown area
Remedy Planning: East Property

- Re-evaluating concentrations against residential standards to determine excavation extents
- Majority of excavation will be in areas previously defined in the bankruptcy proceeding
- Excavation volume is anticipated to be ~85,000 cubic yards
- Category 1 material will be disposed of in Cell 4
- Some non-hazardous material being evaluated for reuse on plant site
Remedy Planning: Cost Estimates

**Old Cost Estimates**

- Demolition of Structures: $8.9
- Asphalt Paving (75.50 acres): $9.8
- Construct Fourth Cell & Fence: $5.9
- Groundwater Remediation: $21.9
- Post Closure Care: $3.3
- Other Expense: $2.2
- **Total**: $21.9

**2008 TCEQ Cost Estimate (in millions)**

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demolition of Structures</td>
<td>$8.9</td>
</tr>
<tr>
<td>Asphalt Paving (75.50 acres)</td>
<td>$9.8</td>
</tr>
<tr>
<td>Construct Fourth Cell &amp; Fence</td>
<td>$5.9</td>
</tr>
<tr>
<td>Groundwater Remediation</td>
<td>$21.9</td>
</tr>
<tr>
<td>Post Closure Care</td>
<td>$3.3</td>
</tr>
<tr>
<td>Other Expense</td>
<td>$2.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$52.0</strong></td>
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</table>

**New Cost Estimates**

- Demolition of Structures: $3.6
- Site 5 Feet Thick Soil Cover: $9.1
- Construct Fourth Cell: $6.8
- Groundwater Remediation: $20.9
- Post Closure Care: $3.0
- Other Expense: $1.2
- Fines Pile Cover: $1.2
- Category 3 Landfill: $1.2
- Parker Brothers Arroyo Restoration: $11.3
- Plant Slope Cover and Erosion Control: $4.5
- **Total**: $63.8

(1) Additional budget from asset recovery.
# Asset Marketing

<table>
<thead>
<tr>
<th>Asset</th>
<th>Buyer</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Matte Sales</td>
<td>Minera Rio Tinto</td>
<td>$8,000,000</td>
</tr>
<tr>
<td>Copper Jacket Sales</td>
<td>Minera Rio Tinto</td>
<td>$1,250,000</td>
</tr>
<tr>
<td>Net Scrap Value from Demo Contractor</td>
<td>Brandenburg</td>
<td>$1,056,686</td>
</tr>
<tr>
<td>Oxygen Plant</td>
<td>International Cryo Products, Inc.</td>
<td>$1,900,000</td>
</tr>
<tr>
<td>Rails/Rail Ties</td>
<td>National Salvage</td>
<td>$215,000</td>
</tr>
<tr>
<td>Liquid Oxygen Tanks</td>
<td>McGill’s Equipment</td>
<td>$130,500</td>
</tr>
<tr>
<td>Miscellaneous Equipment</td>
<td>Various Buyers</td>
<td>$332,720</td>
</tr>
<tr>
<td>Lead &amp; Scrap Metal</td>
<td>Various Buyers</td>
<td>$1,620,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong>*</td>
<td></td>
<td><strong>$14,504,906</strong></td>
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</tbody>
</table>

* This does not include value of the land.
Site Demolition: Time-lapse Movie
Site Demolition: Dust Suppression
Site Demolition: Dust Monitoring

Dust monitoring equipment

Dust level reading chart

Calavera

South

East

West

Northeast

Northwest

North

Northeast
Site Demolition: Saved Materials/Buildings

Powerhouse  Left Onsite

Administrative Building  Left Onsite

Time Capsule

Materials: historical documents, photographs, pay ledgers, hand drawn architectural drawings and maps

Donated to UTEP Special Collections Department

Stack Monument  Left Onsite
Waste Disposal

Waste, Debris, and Slag Areas and Volumes

<table>
<thead>
<tr>
<th>Disposal Method</th>
<th>Type</th>
<th>No.</th>
<th>Volume</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>POTW</td>
<td>Impacted Water</td>
<td>1</td>
<td>150,000 gal</td>
<td>Collected rinse water from demolition and pump test water</td>
</tr>
<tr>
<td>On-site Cell 4</td>
<td>Category 1 Soils and Debris</td>
<td>2</td>
<td>45,000 CY</td>
<td>East property landfill</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3</td>
<td>50,000 CY</td>
<td>Boneyard area</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4</td>
<td>22,500 CY</td>
<td>Mounded cell 3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5</td>
<td>35,000 CY</td>
<td>Material from demolition</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6</td>
<td>47,500 CY</td>
<td>Allowance for reverb, contop, converter, unloading and acid plant areas</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td>200,000 CY</td>
<td></td>
</tr>
<tr>
<td>Off-site Disposal</td>
<td>Asbestos Containing Material</td>
<td>7</td>
<td>TBD, ERM?</td>
<td>Asbestos containing material from demolition</td>
</tr>
<tr>
<td>Off-site Reuse as Fuel</td>
<td>Nonhazardous Wood</td>
<td>8</td>
<td>TBD, ERM?</td>
<td>Clean, nonhazardous wood from tressel, buildings and structures</td>
</tr>
<tr>
<td>Insitu Stabilization</td>
<td>Category 1 Soils</td>
<td>9</td>
<td>4000 CY</td>
<td>Impacted soils adjacent to railroad tracks</td>
</tr>
<tr>
<td>On-site Category 3 disposal in cells, basements, and excavations</td>
<td></td>
<td>10</td>
<td>40,000 CY</td>
<td>East Property Landfill</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11</td>
<td>30,000 CY</td>
<td>East Property Stockpiles</td>
</tr>
<tr>
<td></td>
<td></td>
<td>12</td>
<td>85,000 CY</td>
<td>Material from site demolition including stacks</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td>155,000 CY</td>
<td></td>
</tr>
<tr>
<td>On-site TXDOT, Slope and Under Cap Fill</td>
<td>Nonhazardous Slag</td>
<td>13</td>
<td>150,000 CY</td>
<td>Parker Brothers Arroyo and ephemeral pond area slag</td>
</tr>
<tr>
<td></td>
<td></td>
<td>14</td>
<td>27,500 CY</td>
<td>Piles of slag between railroads</td>
</tr>
<tr>
<td></td>
<td></td>
<td>15</td>
<td>10,000 CY</td>
<td>West property miscellaneous slag piles</td>
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<tr>
<td></td>
<td></td>
<td>16</td>
<td>15,000 CY</td>
<td>East property miscellaneous slag piles</td>
</tr>
<tr>
<td></td>
<td></td>
<td>17</td>
<td>100,000 CY</td>
<td>Boneyard slag</td>
</tr>
<tr>
<td></td>
<td></td>
<td>18</td>
<td>57,000 CY</td>
<td>Relocated portion of fines pile slag</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td></td>
<td>358,500 CY</td>
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</tbody>
</table>
Waste Disposal: Cell Locations

Category 1 landfill
Planned to be 200,000 yd³ with possible expansion to 250,000 yd³ by raising till height

Fines pile
Close in-place

Alternative class 3 cell

LEGEND
- Property boundary
- Existing slag fines pile
- Existing waste repository
- Proposed landfill cell

Scale: 1" = 1,500'
0' 750' Feet

November 3, 2011
Former ASARCO Site, El Paso, TX
Waste Disposal: Artist’s Renditions
## 2012 Activities

<table>
<thead>
<tr>
<th>Activity</th>
<th>Scope</th>
<th>Purpose</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site Management and Infrastructure</td>
<td>Trustee cost to manage and operate the site and oversee work. Includes utilities, housekeeping, meetings, staff and other direct costs.</td>
<td>Site operations</td>
<td>$500,000</td>
</tr>
<tr>
<td>Demolition</td>
<td>Remaining demolition of structures and foundations.</td>
<td>Completion of 2011 demolition and preparation for soils and slag remediation.</td>
<td>$400,000</td>
</tr>
<tr>
<td>Groundwater remedy, site cover, design and construction of waste cells</td>
<td>Includes components of TCEQ remedy for groundwater and surface remediation</td>
<td>Remedy implementation</td>
<td>$12,000,000</td>
</tr>
<tr>
<td>Data gap investigation, Parker Brother's Arroyo improvements, Fines Pile, Category 3 landfill, flood plain groundwater, Paisano slope mitigation.</td>
<td>Remedy details to enhance overall protectiveness of the remedy and improve remedy elements.</td>
<td>Additional remedy items not scoped in original TCEQ estimates.</td>
<td>$9,200,000</td>
</tr>
<tr>
<td>Parker Brothers Arroyo improvements</td>
<td>Slope and drainage control, hardscape / landscape.</td>
<td>Additional remedy items to improve appearance in PBA.</td>
<td>$600,000</td>
</tr>
<tr>
<td>Estimated Total</td>
<td></td>
<td></td>
<td>$22,700,000</td>
</tr>
</tbody>
</table>
Updated Remediation Timeline

- **2010**
  - PLANNING & PROCUREMENT
  - SITE DEMOLITION (Began in April 2011)

- **2011**
  - SURFACE SOILS & SURFACE WATER REMEDY

- **2012**
  - GROUNDWATER REMEDY

- **2013**
  - LONG TERM MAINTENANCE

- **2014**
  - PROPERTY DISPOSITION

- **2015**

November 3, 2011
Former ASARCO Site, El Paso, TX
Community Interaction

The Community Outreach effort has been higher than anticipated due to diverse stakeholders, a high level of community involvement, local government involvement and various community activist groups.

Avenues for Community Input

- **Website:** (www.RecastingTheSmelter.com)
  - The website is aimed at providing the public with current site information and activities.
- **Blog:** Gives the community a forum to post their opinions and input.
- **Access to media:**
- **Ex-ASARCO Employee Group:**
  - Intensive One-on-one interaction (site tours, meetings, written communications, incorporation of concerns into work plan)
- **Elected Officials:**
  - Frequent briefings to federal, state, and local officials
- **El Paso Based Contractors**
  - We have utilized local labor and resources as much as possible, ~$4 million to date.
Stack Demolition Delay

The ASARCO Trust has granted a conditional one-year reprieve to delay the demolition of the stacks due to a segment of the community’s interest in preserving the historic structures. Conditions:

1. There needs to be a legal entity established to take possession of the stacks.

2. The legal entity must demonstrate the financial strength to undertake ownership of the stacks.

3. The legal entity must have the ability to indemnify the Trust and the Trust beneficiaries.

4. The entity must demonstrate that both stacks have the structural integrity necessary to remain on the site.
   - Must be performed by a professional structural engineer that is licensed to practice in Texas
   - Engineer’s report must be stamped.

All of these conditions must be achieved by the end of 2012 - otherwise, the stacks’ demolition will go forward.
Prior to the reprieve, the Site Trustee had intended to save the bottom 15 feet of the stack and create a memorial.

The Trust realizes that the stacks are a controversial issue, and that a one year timeline offered by the Trust last year for the community to offer a plan to save the stacks has come and gone.

However, the Trust has committed to solicit and incorporate community input as it goes about fulfilling its mission, and we feel this reprieve is in keeping with that commitment.

The remediation work will continue and will not be slowed down by the reprieve.

All public emails received by the Trust regarding this matter are posted on our website, www.recastingthesmelter.com.