

**STATE OF NEW MEXICO
BEFORE THE WATER QUALITY CONTROL COMMISSION**

IN THE MATTER OF:)
)
PROPOSED AMENDMENT TO) **No. WQCC 12-01(R)**
PART 20.6.2 NMAC - COPPER RULE)
_____)

JOINT MOTION TO DISMISS PETITION FOR RULEMAKING

The Gila Resources Information Project and Turner Ranch Properties, Inc., and Amigos Bravos, referred to collectively as “Citizens,” respectfully request the Water Quality Control Commission (“the Commission”) to dismiss the New Mexico Environment Department’s (“NMED”) petition and to remand the Copper Rule back to the Advisory Committee for further development. The Commission should dismiss NMED’s petition because its proposed Copper Rule would license mining companies to pollute groundwater, and therefore, it violates the Water Quality Act and is contrary to law.

NMED’s proposed Copper Rule would provide no protection for groundwater located within the areas “of hydrologic containment” and “open pit surface water drainage,” referred to herein as the “Sacrifice Zone.”¹ NMED’s proposed Copper Rule would instead license FMI and other copper mining companies to pollute groundwater within the Sacrifice Zone above water quality standards, without obtaining a variance from the Commission. The Rule would also limit groundwater protection outside the Sacrifice Zone to so-called “points of compliance,” which are designated monitoring wells located some distance down gradient from major and often permanent sources of pollution, such as acid and metal generating pits and stockpiles. NMED’s proposed Copper Rule would license FMI and other mining companies to pollute groundwater located up-gradient from the designated points of compliance. Indeed, as long as the pollution is

¹ This Sacrifice Zone may cover hundreds of acres and include tens of thousands of acre-feet of water.

undetected in these discrete points of compliance, regardless of where it occurs, mining companies would have no obligation to prevent or abate it under NMED's proposed Rule.

As set out in detail below, NMED's proposed Rule is irreconcilable with the Water Quality Act ("the Act"). First, the Act expressly requires this Commission to adopt regulations "to prevent or abate water pollution," whereas NMED's proposed Rule would do just the opposite—it would license mining companies to pollute groundwater. Second, NMED's proposed Rule conflicts with this Commission's 85-page *Decision and Order on Remand* ("WQCC Order"), attached hereto as Exhibit A, *In the Matter of: Appeal of Supplemental Discharge Permit for Closure (DP-1341) for Phelps Dodge Tyrone, Inc.*² ("Tyrone Appeal"). In the WQCC Order, this Commission rejected the "point of compliance" model as inconsistent with the Water Quality Act and confirmed that groundwater must be protected at every "place of withdrawal for present or reasonably foreseeable future use" ("Place of Withdrawal").

Because NMED's proposed Rule violates the Water Quality Act and would in fact undermine the Act's fundamental purpose—prevention and abatement of water pollution—the Commission should dismiss NMED's petition and remand the Rule back to the advisory committee for further negotiations. The Commission cannot proceed to hearing on the proposed Rule and then try to "fix" it, because, as proposed, its substantive provisions are all based on the incorrect assumption that mining companies can lawfully pollute groundwater above standards within the Sacrifice Zone. Based on this invalid assumption, NMED's proposed Rule would not require mining companies to undertake even basic pollution prevention measures within the Sacrifice Zone as required by Water Quality Act. Accordingly, the Rule must be remanded to NMED with instructions to prepare a new draft that is based on an accurate reading of the Water Quality Act, i.e., that the Copper Rule must aim at preventing and abating water pollution.

² Phelps Dodge is now FMI.

DISCUSSION

1. **The Commission should dismiss NMED’s petition, because its proposed Copper Rule conflicts with the Water Quality Act. The Water Quality Act requires the Commission to only adopt regulations that will prevent or abate water pollution, whereas NMED’s proposed Rule would expressly license mining companies to pollute groundwater above water quality standards.**

A. The Water Quality Act and the Commission’s regulations protect groundwater for beneficial use by prohibiting exceedances of water quality standards at all “Places of Withdrawal.”

“The objective of the Water Quality Act ... is to abate and prevent water pollution.” *Bokum Resources Corp. v. New Mexico Water Quality Control Comm’n*, 93 N.M. 546, 555 (1979); *WQCC Order at 75 ¶ 1* (“The purpose of the Water Quality Act ... is to abate and prevent water pollution in accordance with its provisions and the regulations of the [Commission]”). To accomplish this fundamental purpose, the Act requires the Commission (among other things) to “adopt water quality standards for surface and ground waters of the state based on credible scientific data and other evidence appropriate under the Water Quality Act.” *NMSA 1978, §74-6-4(D)*. Pursuant to this mandate, the Commission beginning in the 1970s adopted numeric water quality standards to preserve groundwater for present and reasonably foreseeable future use as a domestic and agricultural water supply. *20.2.3103 NMAC; N.M. Mining Association v. N.M. Water Quality Control Comm’n*, 2007 NMCA 10, ¶¶ 7 & 9; *Bokum, supra* (upholding Commission’s adoption of water quality standards).

The reason we protect groundwater as an essential water supply in New Mexico is clear:

Approximately ninety percent of the people in New Mexico rely on groundwater for drinking water, and approximately ten percent of the population obtain their drinking water from private supply systems that are not subject to the federal drinking water standards.

N.M. Mining Association, 2007 NMCA 10, ¶ 23. Although the Legislature allowed for “reasonable degradation of water quality resulting from beneficial use,” it also expressly

provided that such “degradation shall not result in impairment of water quality *to the extent that water quality standards are exceeded.*” *NMSA 1978, §74-6-12(F) (emphasis added).*

Under the Water Quality Act and the Commission’s regulations, protection of groundwater as a vital public water supply is fundamentally linked to enforcement of water quality standards. In upholding the Commission’s new standard for uranium, the Court of Appeals cited the numerous Commission regulations that are based on meeting water quality standards:

Thus, regulations regarding discharge permits incorporate by reference the numeric standard for uranium [and all other water quality standards], and a regulated entity could be subject to consequences for failure to meet the standard. *See, e.g., 20.6.2.3101(A)(1)-(2) NMAC* (using the standards to determine whether degradation of the groundwater will be allowed); *20.6.2.3107(A)(11) NMAC* (requiring a closure plan that will “prevent the exceedance [*45] of [water quality] standards . . . in ground water . . . or abate such contamination”); *20.6.2.3109(C)(2) NMAC* (providing that a proposed discharge plan, modification, or renewal cannot result in concentrations in excess of the standards at any place of withdrawal of water for present or reasonably foreseeable future use, unless an exception applies); *20.6.2.3109(E) NMAC* (providing that noncompliance with the standards, “in ground water at any place of withdrawal for present or reasonably foreseeable future use,” may result in a discharge permit modification that requires abatement or prevention); *20.6.2.3109(F) NMAC* (providing that if a discharge permit is terminated or expires, an abatement plan may be required if contamination levels exceed or will exceed standards). Regulations regarding abatement plans also incorporate the numeric standard for uranium. *See 20.6.2.4103(B) NMAC* (requiring abatement of groundwater pollution, at any place of withdrawal for present or reasonably foreseeable future use, to conform to the groundwater standards); *see also 20.6.2.4101(B) NMAC* (requiring abatement by the person responsible for a background concentration of a water contaminant that exceeds the groundwater standards). The purpose of the abatement regulations is to remediate or protect all groundwater for use as domestic and agricultural water supply. *20.6.2.4101(A)(1) NMAC.*

N.M. Mining Association at ¶¶ 8 & 9. The regulations excuse compliance with standards only if certain statutory and regulatory criteria are met:

If a person responsible for contamination cannot meet the abatement standards through the use of appropriate technology and procedure, the secretary may approve a technical infeasibility proposal involving the use of experimental

abatement technology, provided the resulting concentration of contaminants is no greater than 200 percent of the standard for that contaminant. 20.6.2.4103(E) NMAC. If the 200 percent limit on concentration is technically infeasible, the responsible person may file a petition with the commission for alternative abatement standards or for a variance. 20.6.2.4103(E)(3) NMAC; see also 20.6.2.4103(F) NMAC. The petitioner must show either that compliance is technically infeasible when the responsible party makes "the maximum use of technology within the economic capability of the responsible person," or that "there is no reasonable relationship between the economic and social costs and benefits." 20.6.2.4103(F)(1)(a) NMAC. In addition, the responsible person must show that the proposed alternative standards are achievable, justifiable, and will not cause undue damage to property or create a present or future hazard to public health. 20.6.2.4103(F)(1)(b)-(c) NMAC.

Id. ¶ 9. Thus, the Water Quality Act and this Commission's regulations, as a matter of law, require dischargers to meet water quality standards except in limited, site-specific circumstances.

B. NMED's proposed Copper Rule conflicts with the Water Quality Act and the Commission's regulations, because it would license water pollution at all copper mines rather than prevent and abate water pollution.

NMED's proposed Copper Rule runs afoul of the Water Quality Act and this Commission's (and the NMED's) decades-long history of requiring all groundwater to meet standards. *See, e.g., WQCC Order at 22 ¶ 83* (NMED's expert "testified that NMED's practice for at least the last 21 years has been to ensure that all ground water underneath a discharge site meets ground water quality standards"); *WQCC Order at 77 ¶ 9* ("Except to the extent that existing conditions exceed standards, all ground water having a TDS of 10,000 mg/L or less 'shall meet the standards of subsection A [human health standard], B [domestic water supply standards] and C [standards for irrigation use], unless otherwise provided.' 20.6.2.3103 NMAC.") In a 180-degree change in position, NMED would now expressly license FMI and other mining companies to pollute groundwater above standards, without limit, within the Sacrifice Zone.

NMED's new pro-pollution policy is most glaringly obvious in the following provisions of its proposed Copper Rule:

During operation of an open pit, the standards of 20.6.2.3103 NMAC do not apply within the [Sacrifice Zone] ...[§20.2.6.24.A.4]; and

The standards of 20.6.2.3103 NMAC do not apply within the [Sacrifice Zone] [§20.2.6.33.D.1].

In addition, NMED would authorize FMI and other mining companies to pollute *any* groundwater above standards—both inside and outside the Sacrifice Zone—by authorizing them to discharge toxic acid rock drainage (“ARD”) from their various stockpiles directly into groundwater. NMED would allow this so long as “interceptor wells” were positioned some place down gradient, not to assure that water quality standards will be met, but only “to reduce, attenuate or contain the discharge.” *See, e.g., §20.2.6.21.B.1.c (allowing leachate from waste rock stockpiles to pollute groundwater); §20.2.6.22.A.4.vi (allowing leachate from tailings stockpiles to pollute groundwater).*

Because it would allow groundwater pollution above standards, NMED's proposed Rule would not require copper mining companies to undertake basic pollution prevention, detection, mitigation and reporting measures within the Sacrifice Zone. Within the Sacrifice Zone, basic requirements such as lining, covering and re-grading ARD-generating stockpiles, installing monitoring wells, reporting leaks and spills, and providing for secondary containment would be nonexistent or substantially reduced. *See, e.g., §20.2.6.17.D.3 (allowing contaminated process water and stormwater to be impounded without liners); §20.2.6.18.F.2 (allowing existing impoundments to continue to pollute groundwater within the Sacrifice Zone); §20.2.6.21.A.2.f (the potential of waste rock stockpiles to pollute groundwater need only be evaluated in the stockpiles located outside the Sacrifice Zone), §20.2.6.21.B.2 (imposing no pollution prevention*

requirements, other than diversion of storm water, on stockpiles located within the Sacrifice Zone); §20.2.6.21.D.4 (no requirement to record or report leaks and spills inside the Sacrifice Zone); §20.2.6.23.A (imposing no pollution prevention requirements on pipelines and tanks within the Sacrifice Zone); §20.2.6.33.C.3.b & -F (no closure requirement to re-grade outcrops of stockpiles within Sacrifice Zone); §20.2.6.33.I.4 & -.6 (no closure requirement to cover, revegetate, recover seepage or take other measures to stop pollution from impoundments and reservoirs within the Sacrifice Zone).

Finally, at the request of FMI, NMED would allow existing pollution sources, such as the ARD-generating stockpiles and leaking impoundments present at FMI's existing mines, to continue polluting groundwater above standards. *See, e.g., §20.2.6.18.F.2 (allowing existing impoundments to continue to operate regardless of the pollution they may be causing); §20.2.6.20.B.2 (allowing existing leach stockpiles to continue to operate regardless of the pollution they may be causing); §20.2.6.21.C.2 (allowing existing waste rock stockpiles to continue to operate regardless of the pollution they may be causing); §20.2.6.22.B.2 (allowing existing crushing, milling, concentrating, smelting and tailings impoundments to continue to operate regardless of the pollution they may be causing); §20.2.6.23.B.2 (allowing existing pipelines and tanks to continue to operate regardless of the pollution they may be causing).* To the extent these provisions would condone continued water pollution above standards they violate the Water Quality Act. Section 74-6-5.E(3) of the Act requires that an application for a permit be denied if the discharge "would cause or contribute to water contaminant levels in excess of any state or federal standard." NMED clearly recognized this in the Tyrone Settlement, to which FMI is a party, by requiring FMI to at least obtain a variance for its existing

polluting stockpiles and other contaminant sources. *Tyrone Settlement Agreement and Stipulated Final Order at 12-15, ¶¶ 36-45*, attached hereto as Exhibit B.

The Commission “shall not adopt or promulgate a standard or regulation that exceeds a grant of rulemaking authority listed in the statutory section of the Water Quality Act authorizing the standard or regulation.” NMSA 1978, §74-6-4.C. NMED’s proposed Copper Rule exceeds the Commission authority for rulemaking under the Act.

C. This Commission has no authority to adopt NMED’s proposed Copper Rule, because the Rule conflicts with the Water Quality Act. Therefore, the Commission should dismiss NMED’s petition and remand the Copper Rule back to the advisory committee for further development.

“Statutes create administrative agencies, and agencies are limited to the power and authority that is expressly granted and necessarily implied by statute.” *In re PNM Elec. Servs.*, 1998 NMSC 17, ¶ 10. Accordingly, the Commission cannot adopt NMED’s proposed Copper Rule, because it conflicts with the Water Quality Act’s fundamental purpose, which is to prevent and abate water pollution. Indeed, NMED’s proposed Rule would expressly license mining companies to pollute groundwater, and therefore, the Commission should reject NMED’s petition without further consideration and remand it back to the advisory committee for further development in conformance with the Water Quality Act.

2. The Commission should dismiss NMED’s petition, because NMED’s proposed Copper Rule would only protect groundwater at “points of compliance” located some distance outside the Sacrifice Zone. In contrast, the Water Quality Act requires protection at all Places of Withdrawal.

The Water Quality Act compels NMED to deny an application for a discharge permit if the discharge would cause an exceedance of standards at any Place of Withdrawal. NMSA 1978, §74-6-5(E)(3). In *Phelps Dodge Tyrone, Inc. v. N.M. Water Quality Control Comm'n*, involving FMI’s predecessor in interest, the Court of Appeals ordered the Commission to develop “some

general factors or policies to guide its determination” as to what constitutes a “Place of Withdrawal.” 2006 NMCA 115, ¶ 35.

On remand from the Court of Appeals, the Commission conducted an extensive public hearing:

[The] Commission held 24 days of hearing between July 23 and December 13, 2007. It received testimony from approximately 25 witnesses and afforded all parties the opportunity to cross-examine witnesses.

The parties filed written testimony with the Commission on July 9, 2007. The parties submitted proposed findings of fact, conclusions of law, and closing briefs on March 28 and May 12, 2008. The Commission heard oral argument on July 7, 2008 and deliberated on this matter on July 8, August 11 and 12, September 8 and 9, October 14, December 15 and 16, 2008, and January 12, 2009.

The ... hearing record ... consists of 24 volumes of certified hearing transcripts totaling approximately 5956 pages, [including] the pleadings submitted by the parties, and the exhibits duly admitted into the record

WQCC Order at 2. After carefully considering all of this testimony and argument, the Commission adopted seven objective criteria to determine whether an aquifer in a given location should be considered a Place of Withdrawal. The criteria are:

- [1] Site hydrology and geology
- [2] The quality of ground water prior to any discharge from a facility
- [3] Past and current land use in the vicinity of facility
- [4] Future land use in the vicinity of a facility
- [5] Past and current water use in the vicinity of the facility
- [6] Potential future water use and potential future water demand in the vicinity of the facility
- [7] Population trends in the vicinity of the facility

WQCC Order at 78-79, ¶¶ 15-21. Based on this criteria, the Commission found that Places of Withdrawal exist within the Tyrone Mine site:

A place of withdrawal of water is not limited to a place on the ground, but extends into the aquifer underlying an area on the ground surface; it need not be a well.
...

NMED has demonstrated by a preponderance of the evidence that the regional and alluvial aquifers underlying portions of the Tyrone Mine site are places of withdrawal of water for present or reasonably foreseeable future use pursuant to Section 74-6-5(E)(3).

WQCC Order at 81, ¶¶ 32 & 33. Finally, the Commission considered but rejected FMI's invitation to substitute "points of compliance," *i.e.*, designated monitoring wells, for Place of Withdrawal:

Section 74-6-5(E)(3) of the Act provides that determination of the discharges' effect on ground water shall be measured at *any* place of withdrawal of water for present or reasonably foreseeable future use. See NMSA 1978, §74-6-5(E)(3) (emphasis added).

Section 74-6-5(E)(3) does not establish any specific "point(s) of compliance" for compliance with water quality standards. NMSA 1978, §74-6-5(E)(3).

Nothing in the Act or the Commission Regulations provides for a "point of compliance," hydraulically up-gradient of which ground water need not be protected. See NMSA 1978, §§ 74-6-1 to 74-6-17; 20.6.2 NMAC.

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WQCC Order at 80-81, ¶¶ 26-32; cf. 20.6.2.3106(C)(7), 3109(C)(2), and 4103(B) NMAC (requiring standards to be met at any Place of Withdrawal.)

In complete derogation of its former long-held position and this Commission's findings of fact and conclusions of law in the Tyrone Appeal, NMED changed the advisory committee draft to imbed FMI's "points of compliance" model into the proposed Copper Rule. Under NMED's proposed Rule, for example, an ARD-generating waste rock pile need not be lined, even if it pollutes groundwater, so long as no exceedance of standards is detected in "a monitoring well located pursuant to 20.6.7.28." §20.2.6.21.B.1.d. Similarly, NMED would

allow leachate and other contaminants generated by tailings piles, open pits and other sources to pollute groundwater above standards, so long as the contaminant plume goes undetected in designated down gradient monitoring wells, *i.e.*, points of compliance. §20.2.6.22.A.4.b, §20.2.6.33.D.2 and §20.2.6.33.F. Because these provisions are nothing more than an attempt to imbed FMI's point of compliance concept, which the Commission has already considered and rejected, the Commission should dismiss NMED's petition.

CONCLUSION

The Commission may dismiss any petition, regardless of whether NMED or another person submits it. NMSA 1978, §74-6-6(B) (the Commission's "denial of ... a petition shall not be subject to judicial review"); NMSA 1978, §74-6-9(F) (providing that constituent agencies, such as NMED, may "on the same basis as any other person, recommend and propose regulations and standards for promulgation by the commission"). Because NMED's proposed Copper Rule would license mining companies to pollute groundwater, it is irreconcilably at odds with the Water Quality Act's most fundamental purpose—prevention and abatement of water pollution. Therefore, the Commission should reject NMED's petition and remand the Copper Rule back to the advisory committee for further development.

Respectfully submitted:

NEW MEXICO ENVIRONMENTAL LAW CENTER

By: _____

R. Bruce Frederick

Douglas Meiklejohn

Jon Block

Eric Jantz

1405 Luisa Street, Ste. 5

Santa Fe, NM 87505

(505) 989-9022

bfrederick@nmelc.org

*Attorneys for the Gila Resources Information Project and
Turner Ranch Properties, Inc.*

HIGH DESERT ENERGY + ENVIRONMENT LAW
PARTNERS, LLC

By: _____
Tracy Hughes
P.O. Box 8201
Santa Fe, New Mexico 87504
505-819-1710
hughes@energyenvironmentlaw.com
Attorney for Amigos Bravos

CERTIFICATE OF SERVICE

I hereby certify that on December 14, 2012 I sent the attached Motion to Dismiss by first-class mail or hand delivery to the following:

Andrew Knight
Assistant General Counsel
New Mexico Environment Department
1190 St. Francis Drive
Santa Fe, New Mexico 87502-6110

Tannis Fox
Assistant Attorney General
Water, Environment and Utilities Division
Office of the NM Attorney General
P.O. Box 1508
Santa Fe, NM 87504

Dalva Mollenberg
Gallagher and Kennedy, PA
1233 Paseo de Peralta
Santa Fe, New Mexico 87501-2758

Sean Cunniff
Assistant Attorney General
Civil Division
P.O. Box 1508
Santa Fe, NM 87504

Tracy Hughes

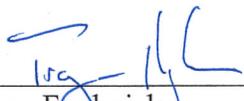
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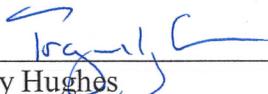
Respectfully submitted:

NEW MEXICO ENVIRONMENTAL LAW CENTER

for By: 
R. Bruce Frederick
Douglas Meiklejohn
Jon Block
Eric Jantz
1405 Luisa Street, Ste. 5
Santa Fe, NM 87505
(505) 989-9022
bfrederick@nmelc.org

*Attorneys for the Gila Resources Information Project and
Turner Ranch Properties, Inc.*

HIGH DESERT ENERGY + ENVIRONMENT LAW
PARTNERS, LLC

By: 
Tracy Hughes
P.O. Box 8201
Santa Fe, New Mexico 87504
505-819-1710
hughes@energyenvironmentlaw.com
Attorney for Amigos Bravos

CERTIFICATE OF SERVICE

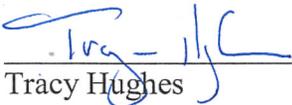
I hereby certify that on December 14, 2012 I sent the attached Motion to Dismiss by first-class mail or hand delivery to the following:

Andrew Knight
Assistant General Counsel
New Mexico Environment Department
1190 St. Francis Drive
Santa Fe, New Mexico 87502-6110

Tannis Fox
Assistant Attorney General
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Office of the NM Attorney General
P.O. Box 1508
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Dalva Mollenberg
Gallagher and Kennedy, PA
1233 Paseo de Peralta
Santa Fe, New Mexico 87501-2758

Sean Cunniff
Assistant Attorney General
Civil Division
P.O. Box 1508
Santa Fe, NM 87504


Tracy Hughes