



MEMORANDUM

Date: April 25, 2019

To: The Honorable Chairman and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator 

Re: **Resolutions 2019-28 and 2019-FC2 - Request for Information**

At the April 16, 2019 Board of Supervisors Meeting, Pima County Resolution No. 2019-28 and Regional Flood Control Resolution No. 2019-FC2 were approved opposing the Rosemont Mine. Supervisor Sharon Bronson requested specific details regarding our August 12, 2014 correspondence with Hudbay Minerals itemizing ten recommendations to improve the project and reduce overall project impacts. These ten recommendations are listed below.

1. Use Central Arizona Project (CAP) Water Directly for Mine Operations - CAP will not be used directly. Mine water will be derived from the groundwater aquifer under Sahuarita. Hudbay has stored 42,593 acre-feet in the Marana area, miles from Sahuarita. Recharging the aquifer in Marana will not get the water to flow uphill to Sahuarita; it merely stores a salable company asset. Hudbay is currently funding Community Water Company's pipeline to the Project Renews recharge facility, where it intends to store additional CAP. The details of the CWC-Hudbay agreement have never been made public and actual recharge to benefit the aquifer under Sahuarita is years away.
2. Minimize the Footprint of Future Disturbance in the Northern Santa Rita Mountains by Renouncing Future Efforts to Mine Copper World, Peach-Elgin, and Broadtop Butte Deposits - A limit on future mining was rejected. We sought a limit knowing that mining these additional deposits would require more water, increasing the impacts to Green Valley and Sahuarita as well as the Cienega basin. Mining would overtop the ridge and spill into the Santa Cruz basin, where it would join with the existing marble mine that scars the ridgelines as seen from Green Valley.
3. Replenish the Aquifer Downstream of the Mine - There has been no commitment to use CAP, groundwater, or stormwater runoff to offset the losses to the aquifer downstream of the mine.
4. Reclaim the Pit through Partial Backfill - There is no commitment to partially backfill the Rosemont pit even though the US Forest Service required the Carlota mine site to backfill the pit in the Tonto National Forest.

5. Acquire and Protect Important Natural Areas in the Cienega Watershed - The principal natural area commitment is located along Sonoita Creek, which is in Santa Cruz County and not in the Cienega Basin. Some additional land below Helvetia (outside the Cienega basin) will be preserved for Pima Pineapple Cactus, however the total amount of land conservation is far below what we would require for ordinary rezonings, let alone a mine located on public lands.
6. Redesign Stormwater Management Systems and Reduce Seepage through Waste and Tailings to Reduce the Risk of Future Water Contamination - The perimeter containment area seepage and underestimated rainfall volumes pose risks that have not been addressed to our knowledge. The various impoundments on the mine site are not regulated by the state's dam safety experts or by the Regional Flood Control District.
7. Properly Plan and Manage Soil Resources to Ensure Reclamation Success - Based on our calculations, there is insufficient topsoil to revegetate the dry stack tailings and waste piles.
8. Fund Additional Safety, Traffic and Road Repair Improvements on Sahuarita Road and Highway 83 - We suggested truck passing lanes on State Route 83 and intersection improvements at Sahuarita Road to address safety concerns, and additional traffic analysis and mitigation for roadbed degradation to Sahuarita Road. We are unaware of any commitments that address this.
9. Comply with Local Dark Skies Outdoor Lighting Ordinance - Compliance with the code would require substantial redesign because lighting is proposed to use color rendering which is not compliant with code maximum temperature of 3500K and proposed lumen output likely exceeds code limitations (based on the Final Environmental Impact Statement-FEIS).
10. Acquire and Use Tier IV Engines in all Non-road Diesel Equipment to Reduce Air Pollution - The state air quality permit for this mine was recently amended to require six Tier IV engines be acquired to reduce particulates, but the rest of the fleet will not meet this standard. The state at the same time increased the volume of fugitive air emissions they will allow to escape the site. The permit increased the rock to be mined by 16.8 percent, and the amount of ammonium nitrate and fuel oil use per day by 380 percent.

Much of the discussion during the consideration of Resolutions 2019-28 and 2019-FC2 focused on the various items that Hudbay was doing for the community. It should be noted that none of the items are required and there is no formal commitment to do such, with the exception of the Sonoita Creek Restoration Project, the six Tier IV engines, and the contract with Green Valley for recharge.

Much has been made about the \$1.9 billion construction cost associated with the mine, but nothing is stated about the value of the mineral recovery. Simply using the copper reserve and recovery based on stated Hudbay reserves, and using the price of copper as of April 15,

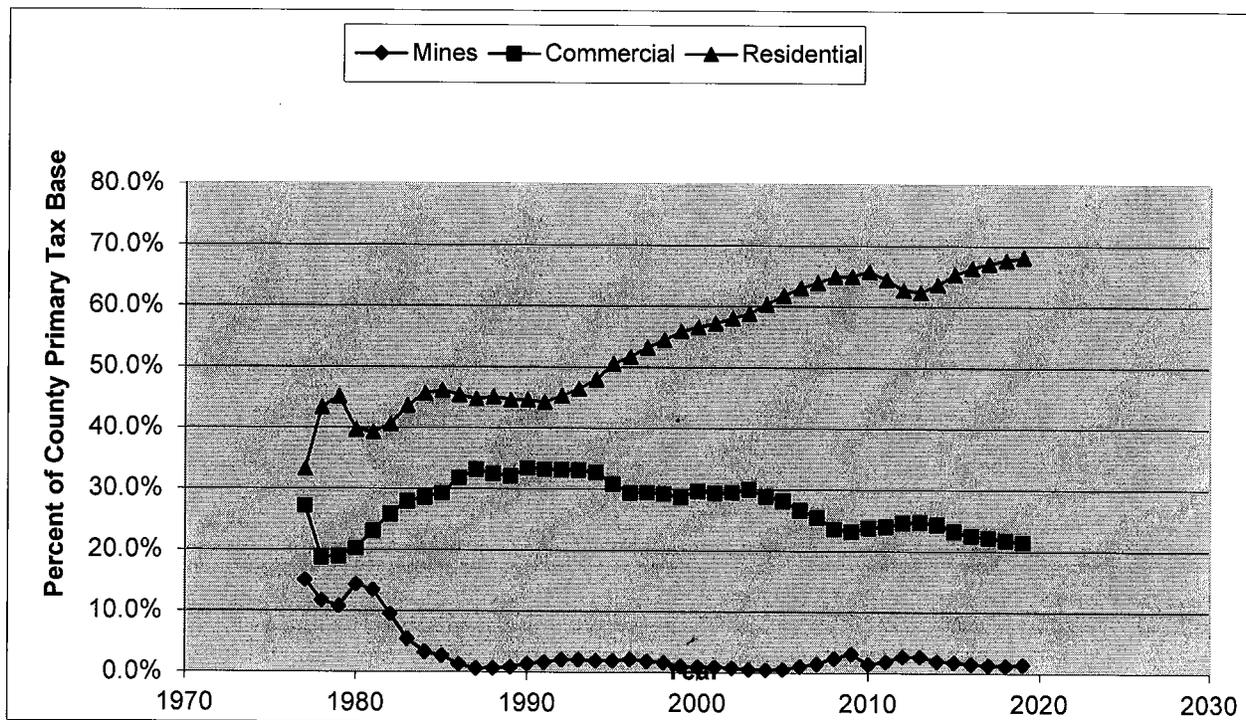
2019, the value of the mineral being recovered for copper alone is \$15.6 billion, a significant amount more than the cost of mine construction.

Finally, discussion occurred regarding jobs and taxes paid. The recent announcement by Southern New Hampshire University (SNHU) of 350 jobs is similar to the Hudbay job announcement. The SNHU jobs have little, if any, adverse environmental or community impact. From July 1, 2015, Pima County, in cooperation with Sun Corridor, Inc., has attracted and expanded 58 companies or firms with a total of 14,157 employees with a capital investment amount of \$1.57 billion and an economic impact of \$19.5 billion. The proposed 400 to 500 jobs for Rosemont are important but may need to be put in the larger perspective of the region and what has been accomplished in job growth.

The value of mines to the Pima County tax base remains very low and currently only accounts for 1.45 percent of the primary property tax base. Figure 1 below shows the value of mines as a percent of the Pima County primary property tax base, in comparison to residential and commercial properties, over the past 40 years.

Figure 1

Mines as a Percent of Pima County Primary Property Tax Base



CHH/anc

c: Carmine DeBonis, Jr., Deputy County Administrator for Public Works
Linda Mayro, Director, Sustainability and Conservation