



Board of Supervisors Memorandum

January 16, 2007

Alternative Resolution Opposing the Proposed Rosemont Mine

Background

On July 31, 2007, Augusta Resource Corporation submitted a draft plan of operations to the U.S. Forest Service for the proposed Rosemont Mine south of Tucson within the Santa Rita Mountains. The U.S. Forest Service did not accept the draft plan for review due to insufficient information in the plan. While staff was reviewing the draft plan and developing comments, a resolution in opposition to the proposed mine was placed on the Board's October 3, 2006. At that time, and prior to subsequent Board meetings, I urged the Board to allow staff the time to complete review and comments, and to allow time for Augusta to respond to the County's concerns.

The County's comments were sent to the Board, the U.S. Forest Service, and Augusta on October 6, 2006. Augusta's Jamie Sturgess, in turn, attempted to respond to these comments on November 29, 2006 and January 5, 2007. The County's comments included five performance criteria that should be met by any development, mining or other, proposed for this area. The performance criteria deal with concerns that the County has regarding permanent destruction of habitat for wildlife and vulnerable species, conformance to the County's Comprehensive Land Use Plan, which includes the Conservation Lands System, prevention of water quality and quantity impacts on both sides of the mountain range, but especially to Davidson Canyon and Cienega Creek, visual impacts, and an environmental enhancement endowment.

The County's concerns are more than reasonable, and by the high attendance levels at Board meetings where this issue has been discussed, it is obvious that many members of the public share these concerns. Many of us have seen first hand the legacy left behind by mining in this part of State. The costs and adverse impacts placed on the local residents and taxpayers of Pima County far outweigh the few local tax benefits received from these mining projects. Furthermore, a recent study of 70 Environmental Impact Statements for modern-era hard rock mines found that impacts to water quality are continually underestimated, which causes mitigation to consistently be inadequate. Finally, a recent not-yet released geological survey of the mine area by the State's Geological Survey office, has called into question the stability of the high wall natural rock formation above the proposed mining pit.

While Augusta has attempted to respond to some of the County's concerns, and agreed to meet the County's five performance criteria, Mr. Sturgess has stated that information is not yet available to provide the County with how the performance criteria will be met and

The Honorable Chairman and Members, Pima County Board of Supervisors
Alternative Resolution Opposing the Proposed Rosemont Mine
January 16, 2007
Page 2

how many of the other assurances we are seeking will be met. Moreover, we do not yet know how the proposed Rosemont Mine will address conformance to the Clean Water Act, Stormwater and Section 404 permit requirements regarding the deposition of dredge and fill materials into waters of the United States.

The County has questioned the validity of Augusta's mining claims on Forest Service land. Claims are not valid unless the claimant can prove that the claims can be mined for the recovery of valuable minerals. The minerals have to be valuable enough that a reasonable profit can be expected to be made after subtracting the costs to mine the minerals and the costs to comply with required governmental rules, regulations, and mitigation. In this case, Augusta is not proposing to mine the minerals associated with the Forest Service claims, but instead to dump mine waste on the claims from mining activities on their private land. This has brought into question whether or not the minerals attached to the claims are valuable. The County has asked the U.S. Forest Service to request that Augusta prove the validity of these claims before countless more time and money is spent on reviewing future plan of operations. To my knowledge, Augusta has not yet responded with proof of valid mining claims.

According to Mr. Sturgess, a more comprehensive feasibility study and plan of operations is scheduled for completion and release after the first quarter of 2007. Mr. Sturgess states that these documents are works in progress, and more information will come available as additional engineering, design, and operating studies are completed.

Summary and Recommendation

I have placed a resolution on the Board's January 16, 2007 agenda for consideration. This resolution opposes the Rosemont Mine based on the current lack of information available as to if and how the County's and community's concerns will be met. Passage of this Resolution provides the Board with ability to recognize the inadequacy of the Rosemont Mine as it is currently proposed, while providing the Board with the flexibility to remain engaged in any proposal for mining that may be advanced by Augusta.

Based on this, I respectfully recommend that the Board approve this resolution opposing the Rosemont Mine as now proposed, given the information available.

Respectfully submitted,



C.H. Huckelberry
County Administrator

CHH/dr (January 11, 2007)

RESOLUTION NO. 2007-

RESOLUTION OF THE PIMA COUNTY BOARD OF SUPERVISORS
OPPOSING THE PROPOSED ROSEMONT MINE

WHEREAS, Augusta Resource Corporation submitted a draft plan of operations to the U.S. Forest Service on July 31, 2006 to develop the Rosemont Mine on private and Forest Service land within the Santa Rita Mountains south of Tucson; and

WHEREAS, Augusta's July 31, 2006 plan of operations was not accepted by the U.S. Forest Service due to insufficient information; and

WHEREAS, Pima County provided comments on the July 31, 2006 plan of operations to the U.S. Forest Service and to Augusta stating five performance criteria that should be met by any mining or development project proposed for such a location; and

WHEREAS, these five performance criteria address concerns in the areas of conformance to the County's Comprehensive Land Use Plan, Conservation Lands System, and Sonoran Desert Conservation Plan, prevention of water quality and quantity impacts, concurrent reclamation, visual impacts, and an environmental enhancement endowment; and

WHEREAS, the U.S. Forest Service via the National Environmental Policy Act will be required to take into account consistency with local land use plans, which in this case is the Pima County Comprehensive Land Use Plan including the Conservation Lands System; and

WHEREAS, Pima County is preparing an application for a Section 10 permit pursuant to the Federal Endangered Species Act via the U.S. Fish and Wildlife Service, and the land proposed for mining contains important ecosystems desired for protection; and

WHEREAS, the typical legacy left behind from prior and existing mines places undue costs and adverse impacts on the tax payers of Pima County with few local tax benefits, and is therefore unacceptable; and

WHEREAS, a recent study of 70 Environmental Impact Statements for modern-era hard rock mines found that water quality impacts from hard rock mines are consistently underestimated and therefore the mitigation is consistently inadequate; and

WHEREAS, water quality impacts to Davidson Canyon and Cienega Creek would be detrimental to rare riparian habitat along the creeks, the endangered species within the creeks, and the high quality water supply to the Tucson Basin; and

WHEREAS, Augusta has not yet shown how the Rosemont Mine will conform to the Clean Water Act, Stormwater and Section 404 permit requirements for the deposition of dredge and fill materials in waters of the United States; and

WHEREAS, a recent geological survey of the site brings into question the stability of the high wall natural rock formations above the proposed mining pit; and

WHEREAS, the County has questioned the validity of Augusta's Forest Service mining claims due to the fact that the claims are not proposed to be mined for the recovery of valuable minerals, but are instead proposed to be used as a dumping ground for waste produced from mining on Augusta's private land, thereby invalidating the legal foundation of the original claims; and

WHEREAS, Augusta has not yet proved that it has valid Forest Service mining claims; and

WHEREAS, the information Augusta has provided the County to date leaves many questions unanswered and is insufficient to determine if and how Augusta would be able to meet the five performance criteria outlined by the County to address the negative impacts associated with the proposed Rosemont Mine.

NOW, THEREFORE, UPON MOTION DULY MADE, SECONDED AND CARRIED, BE IT RESOLVED THAT:

1. The Pima County Board of Supervisors opposes Augusta Resource Corporation's proposed Rosemont Mine based on the current information available.
2. Pima County will continue to actively comment on any future plan of operations submitted for Rosemont Mine, including during any formal review by the U.S. Forest Service per the National Environmental Policy Act.

Passed by the Board of Supervisors of Pima County, this ____ day of _____, 2007.

Chairman, Pima County Board of Supervisors

ATTEST:

APPROVED AS TO FORM:

Clerk of the Board



Deputy County Attorney