



MEMORANDUM

Date: August 18, 2023

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

From: Jan Leshner 
County Administrator

Re: **Hudbay's Copper World Project Update**

The last comprehensive update I provided to the Board on Hudbay's Copper World project was on [January 17, 2023](#). I also provided memorandums concerning Hudbay's application to the Arizona State Land Department to acquire State Trust land on [April 17, 2023](#) and [April 3, 2023](#). Since then, I have met with the State Land Commissioner and Hudbay representatives. This memorandum provides an update on these meetings, including Hudbay's current planning timeline, the status of permit applications and existing permits, status of their application to acquire State Trust Land, recent images of the project area (Figure 1), and a summary of ongoing public concerns.

Figure 1. Aerial of Current Activities



Current Activities at the Mine Site

Field Activities

In the lower portion of the Figure 1, roads and drilling pads used to refine the location of ore bodies and the ore grade of the mineralized areas are evident as pale lines and squares, respectively. Most of that area is planned to be mined in the early years and will eventually be filled with waste rock excavated from the deep deposit on the east side of the Santa Rita Mountains.

Hudbay has also begun preparations for the F-shaped tailings called TSF-1 by preparing a perimeter berm (Figure 1, light colored outline). Three washes have been blocked by the berm that range in width from 20 to 60 feet, one of which has a 100-year peak flow rate of greater than 5,000 cubic feet per second (cfs) (Figure 2). State Law exempts tailings and waste rock piles from the requirement to receive written authorization from the County or Flood Control District.

Figure 2. Close-up of berm crossing 60-foot wide channel that has a 100-year peak flow rate greater than 5,000 cubic feet per second.



Current Planning Timeline and Upcoming Pre-Feasibility Study

On June 21, 2023, Deputy County Administrator DeBonis, staff, and I met with representatives from Hudbay. The company continues to apply for State permits for the project and anticipated publishing a pre-feasibility study in late July or early August, with a feasibility study anticipated sometime after that. To date, the pre-feasibility study has not been released. They indicated that they expect to make a decision on whether to proceed with the project in 2025. Staff will review the pre-feasibility study when it is released, and I will provide both the study and staff's review to the Board.

During the meeting with Hudbay representatives, we discussed their application to purchase State Trust land and their concerns with our calculations for the proposed project's groundwater pumping as a share of overall groundwater pumping in the Tucson Active Management Area. They also expressed concern with our calculation of impacts to the County's Conservation Lands System and corresponding mitigation if the mine were to voluntarily comply with Conservation Lands System mitigation guidelines. We indicated that we will re-evaluate both when we receive the pre-feasibility study.

Permitting and State Land Acquisition

Hudbay is continuing to pursue permits and the acquisition of State Trust land. The following describes activities since the last update related to groundwater, surface water, land, air, and County infrastructure.

Groundwater (ADEQ Aquifer Protection Permit, ADWR Groundwater Permits)

Hudbay anticipated receiving the Aquifer Protection Permit (APP) in the first quarter of 2023 for the application submitted in September 2022. APPs are designed to protect the water quality of aquifers, including those used for drinking water such as the Tucson basin. During the substantive review phase, ADEQ found the application needed more information as required by statute and code. ADEQ notified Hudbay in February, identifying 71 items and suspending the overall time frame on permit processing. Hudbay provided a response in April where they fully answered 33 items and provided partial responses to 38 items. ADEQ reviewed the April response and sent a second notification to Hudbay on June 23, 2023, identifying which of the 38 items previously listed did not contain the required information. The deadline for Hudbay to provide the requested information is September 22, 2023.

Hudbay continues to hold an Arizona Department of Water Resources (ADWR) Groundwater Withdrawal Permit allowing a withdrawal of 6,000 acre-feet (AF) of groundwater from the KANARCO well field and the Sanrita well field, both east and southeast of the Town of Sahuarita. Hudbay also holds 42,593 AF of long-term storage credits that can be withdrawn from the aquifer.

Surface Water (ADEQ Stormwater Water Quality permits, RFCD Flood Plain Use Permit)

ADEQ has been issuing Arizona Pollution Discharge Elimination System (AZPDES) permits to the mine owners since 2008. The AZPDES permits are five-year general permits for pollutant discharges associated with construction activities and mining activities, which are currently up to date.

Upcoming ADEQ Triennial Review of State Water Quality Standards

The federal Clean Water Act requires each state to review and update its surface water quality standards every three years to ensure water quality standards are up-to-date and sufficiently protective, and to provide opportunities for public involvement in the process. Arizona's next triennial review is scheduled to begin this year, with ADEQ scheduling a kickoff webinar for August 23, 2023. This process involves, among other things, a review of the state's

Outstanding Waters designations and associated protections. Several watercourses likely to be impacted by Copper World's plans are currently designated as "Outstanding Arizona Waters" and during previous triennial reviews County staff has participated to ensure these protections are maintained. County staff plan to be similarly involved in the upcoming triennial review process to support continued protections for these important resources.

Land (Arizona Corporation Commission, Arizona State Land Department Auctions)

Tucson Electric Power filed a Request to Modify the Certificate of Environmental Compatibility on March 17th, 2023, with the Arizona Corporation Commission. The request was based on the Copper World Project mining operations being moved from federal to private land and therefore there were no requirements to receive Clean Water Act permits nor a National Environmental Policy Act Record of Decision.

On May 31, Deputy County Administrator DeBonis, staff and I met with State Land Commissioner Robyn Sahid concerning Hudbay's application to purchase State Trust Land. The Commissioner assured us that a pending action of the Board of Appeals at their July 13 meeting was to approve the appraised value for the properties, and that the ultimate decision of whether to auction the properties would be made by her within 240 days after the Board of Appeals action. Commissioner Sahid also informed us that they were intending to deed restrict the northern of the two parcels (exhibit attached) against development and that they would be encouraging Hudbay to acquire additional State Trust land adjacent to the Coronado National Forest that would similarly be deed restricted. Such property could then potentially serve as mitigation for mine impacts. Commissioner Sahid suggested we meet again after the Board of Appeals action. That meeting is scheduled for August 30th.

Floodplain Use Permit (Regional Flood Control District)

On January 23, 2023, the Regional Flood Control District (RFCD) approved a drainage assessment prepared by Hudbay that identified which watercourses on the site are considered regulatory. Using the information from that assessment, Hudbay has been delineating existing 100-year floodplains in the Phase 1 area and coordinating with the District on the design of drainage improvements on the property. A meeting occurred on August 10 for District staff to perform an initial review of the floodplain delineations and the proposed drainage improvements. The meeting resulted in specific comments regarding the need to assess erosion hazards, and how the setbacks would be applied to the proposed drainage improvements. Additional evaluation is also needed to assess the effect of the proposed drainage improvements on downstream private lands. The District plans to meet with Hudbay again in September to review their response to the comments.

Air (ADEQ Air Quality Permit)

The Arizona Department of Environmental Quality (ADEQ) is conducting a substantive review of Hudbay's application for a Class II air quality permit. Hudbay submitted additional information to ADEQ on June 1, 2023. ADEQ had anticipated having a conversation about a draft permit with the Pima County Department of Environmental Quality (PDEQ) in August but has not contacted the Department at this time. The meeting with PDEQ would take place

prior to a public meeting where the public will have the opportunity to review and comment on the application and draft permit. The facility is required to obtain an air quality permit due to potential emissions of regulated air pollutants, generated primarily from mining activities. Detailed emissions calculations are included in Appendix F of Hudbay's permit application (available on [PDEQ's website for Rosemont Copper permitting](#)).

County Infrastructure (Pima County Right-of-Way permits, BLM Right-of-way permit)

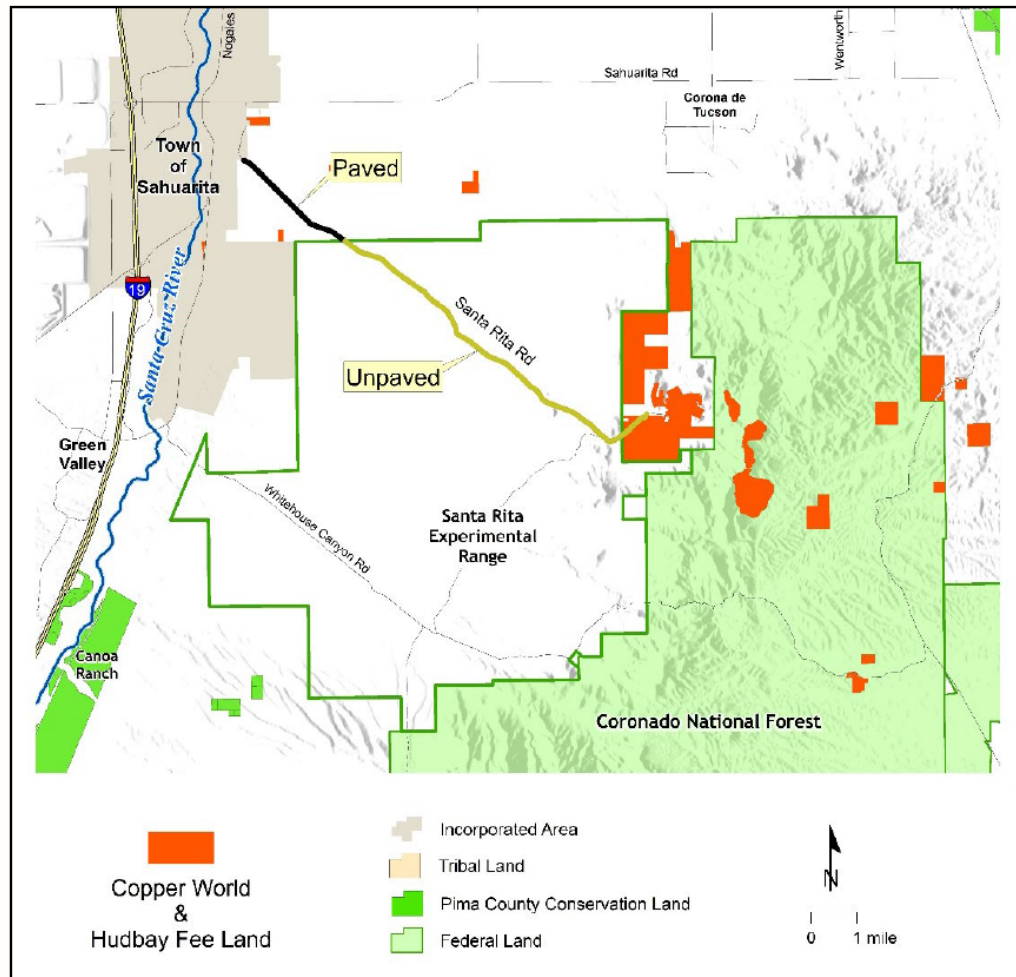
On November 30, 2022, Pima County received an application from Hudbay Minerals for a permit to perform dust control along East Santa Rita Road for activities related to their Copper World mining project in the Santa Rita Mountains. Pima County appreciates Hudbay's interest in controlling the dust on the dirt road portion of East Santa Rita Road that is maintained by Pima County. However, Santa Rita Road traverses both public and private land in this region of Pima County and as a result, different agencies have jurisdiction over permitting depending upon the underlying fee titleholder. Pima County has the right to issue right-of-way permits for the 0.7-mile segment of County maintained dirt road that traverses over privately held property and issued a permit to Hudbay for just this segment (Figure 3, yellow line within orange area).

The western segment of East Santa Rita Road that traverses across property currently owned by the State of Arizona for approximately 7.7 miles is subject to the perpetual Right-of-Way Grant that Pima County received from the United States Department of the Interior Bureau of Land Management (BLM) (AZA-23967) in 1989 (Figure 3, yellow line within Santa Rita Experimental Range). The title to the lands described in the right-of-way issued by the BLM was transferred to the State of Arizona on March 25, 1991.

Although the State now owns these lands, the responsibility for administering the existing right-of-way was reserved by the BLM. As a result, Pima County is unable to issue any permits for dust control or any other maintenance activities on any portion of East Santa Rita Road where the State of Arizona or the BLM are the underlying property owners. In addition, the easternmost segment of East Santa Rita Road traverses 0.5 miles of BLM property.

We have notified BLM of this and asked that BLM consult with Pima County if Hudbay representatives submit an application to the BLM for dust control or other maintenance of this road. Pima County maintains this road for the safety and convenience of the public and we want to ensure that other actions to maintain this road do not compromise these objectives.

Figure 3. Santa Rita Road between Sahuarita and Copper World



Public Concerns

Residents from Sahuarita, Green Valley, and Vail continue to write to the Board of Supervisors, state agencies, and Pima County departments expressing a variety of concerns about the development of the mine. Landowners are concerned about the value of their property being adjacent to land that is for sale by the Arizona State Land Department. Our understanding is that Hudbay has contacted property owners about purchasing their land. Additional concerns include worries about pollutants becoming airborne from the tailings or other pollutants entering the aquifer from leaching. One letter emphasized the need to “preserve our wildlife, our air quality and our water purity and supply”. We continue to respond to these letters by sharing the Board of Supervisors resolution and forwarding update memorandums like these.

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Summary

Staff will continue to monitor the various aspects of this project and the related permitting processes. We expect the next update to the Board will be prepared once Hudbay releases its pre-feasibility report and staff has had the opportunity to review it.

JKL/je

c: Carmine DeBonis, Jr., Deputy County Administrator
Francisco García, MD, MPH, Deputy County Administrator & Chief Medical Officer
Steve Holmes, Deputy County Administrator
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