



SAVE THE SCENIC SANTA RITAS ASSOCIATION

8987 E. Tanque Verde #309-157, Tucson, AZ 85749 info@scenicsantaritas.org www.scenicsantaritas.org (520) 246-3622

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April 16, 2026

Mr. Shane Dille
Town Manager
Town of Sahuarita
375 W Sahuarita Center Way
Sahuarita, AZ 85629

Via Email: sdille@sahuaritaaz.gov

Re: Hudbay is in violation of its 2013 License for Right-of-Way Encroachment

Dear Mr. Dille:

As you know, on June 24, 2013, the Town of Sahuarita granted Hudbay Minerals Inc. a [License for Right-of-Way Encroachment](#) (“License”).

The License allows Hudbay (through its subsidiary Copper World Inc.) to encroach on the Town’s right-of-way along Santa Rita Road for the purposes of installing a water pipeline which will connect Hudbay’s two groundwater wellfields to Hudbay’s Copper World mine on the western slope of the Santa Rita Mountains. *See* License, § 1.

In return, Hudbay is *inter alia* obliged to recharge a minimum of 105% of the amount of water withdrawn by Hudbay in the “Recharge Area” (Exhibit B of the License) from “the Rosemont Wells” (Exhibit C of the License). *See* License, § 8.

In addition, Hudbay is required to annually provide the Town with “reports and documents” that show “the amount of water withdrawn and the amount of water recharged.” *See* License, § 8.

Hudbay is in violation of the License. According to records from the Arizona Department of Water Resources (“ADWR”), Hudbay has installed and begun operating five production wells in the Recharge Area and has failed to submit any reports whatsoever to the Town, and has failed to recharge any of the amounts required by § 8 of the License Agreement.

ADWR records show that, in 2015 and 2024, Hudbay drilled five wells in the Recharge Area. In 2024, well [#55-241987](#), [#55-241988](#) and [#55-242051](#) were drilled in the Sanrita West Wellfield, and [#55-241989](#) in the Sanrita South Wellfield. Well [#55-225120](#) was installed in 2015 in the Sanrita South Wellfield.



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According to Hudbay's [2025 Annual Groundwater Report](#) filed with ADWR on March 26, 2026, Hudbay withdrew groundwater from each of these five wells totalling 33.49 acre-feet or 10.9 million gallons in 2025.

Hudbay has not reported to the Town that it has installed the wells, nor that it has withdrawn water from the wells. Hudbay has not recharged any water pursuant to the License, § 8.

Hudbay and the well driller are also in violation of its statutory obligations to ADWR to file pump completion reports and well driller reports. When ADWR approved Hudbay's well drilling applications for the five wells listed above (in 2015 and 2024), Hudbay became obliged to submit completion reports within 30 days of installation of pump equipment. The well installer was required to submit to ADWR a well driller report within 30 days of installation of each of the wells. *See* A.R.S. § [45-600](#).

According to ADWR, Hudbay has not filed pump completion reports in relation to the four wells drilled in 2024. The well installer had not filed well driller reports for the four wells as of April 9, 2026. Hudbay and the well driller, however, filed the pump completion report and well driller log for the well installed in 2015.

Because Hudbay has hidden from the Town the fact that it has drilled wells and is drawing water from its wells, the Town has made incorrect statements to the public. For example, during the January 26, 2026 council meeting, the Town Attorney [stated](#):

“There’s been no well drilled, there’s not even a permit yet from ADWR that’s been approved to drill the well. So, there’s no well, there’s no pipeline. The obligation of the licensee is anticipated to occur. The licensee isn’t repudiating the contract, itself. It’s not saying we are not going to perform. In fact there is nothing to perform. There’s no reporting to make because there hasn’t been a well drilled, there is no pipeline. So the recharge reporting requirement isn’t even triggered, in my view.”

In addition, the Assistant Town Manager, in a [February 20, 2026 email](#) to SSSR, included a [link](#) to a one-page ADWR report showing a well had not yet been installed. The report was inaccurate because the well driller and Hudbay had not filed the required well logs and completion reports. Based on this report, the Town advised it would take no further action relating to Hudbay's alleged violations of the License. The Assistant Town Manager did, however, state that “the Town remains committed to monitoring the situation and will be responsive should (Hudbay's) actual activities result in a material breach of the license agreement.”

As evidenced by Hudbay's 2025 Groundwater Report filed on March 26, 2026, it is now indisputable that Hudbay is in material breach of the License, § 8, by failing to provide the Town with reports and documents that show the amount of water withdrawn and the amount



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of water recharged in the Recharge Area. Hudbay is also in material breach of the License by failing to recharge a minimum of 105% of the amount of water withdrawn by Hudbay from the above named wells.

The Town is urgently requested to investigate Hudbay's actions and enforce the terms of the License against Hudbay.

The Town is also requested to refuse to issue any of the permits required by Hudbay in the Santa Rita Road Right-of-Way described in the License, § 10, until Hudbay has shown full compliance with the License, § 8.

Please contact me if you have any questions. SSSR looks forward to working with the Town to protect the Town's critical groundwater supply.

Thank you,

John E. Dougherty III
Executive Director, Save the Scenic Santa Ritas Association

CC: mayorandcouncil@sahuaritaaz.gov
jon@piercecoleman.com
babramovitz@sahuaritaaz.gov
adriane@hofmeyrlaw.com
rui@hofmeyrlaw.com
tnelson@scenicsantaritas.org
ronsteffens@me.com



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