

MINUTES
HOUSE RESOURCES & CONSERVATION COMMITTEE

DATE: Wednesday, February 13, 2013
TIME: 1:30 P.M.
PLACE: Room EW40
MEMBERS: Chairman Denney, Vice Chairman Gibbs, Representatives Wood(35), Barrett, Moyle, Eskridge, Raybould, Andrus, Shepherd, Wood(27), Boyle, Vander Woude, Gestrin, Miller, Anderson(1), Pence, Erpelding, Ward-Engelking
**ABSENT/
EXCUSED:** Rep. Moyle
GUESTS: Karen Launchbaugh, University of Idaho, Rich Hahn, Idaho Power, Jim Tucker, Idaho Power, Shelley Keen, IDWR, Shelley Davis, BRS, Norm Semanko, IWUA, Andy Brunelle, USFS

Chairman Denney called the meeting to order at 1:31 p.m.

MOTION: **Rep. Wood(35)** made a motion to approve the minutes of January 31, 2013.
Motion carried by voice vote.

Dr. Karen Launchbaugh, Director of Rangeland Center, stated that Idaho is taking a major lead in rangeland education. She stated most of us live in rangeland areas. She said the Rangeland Center is unique and they want to educate people on how to manage rangelands. The grazing profession has made massive improvements. She stated that no single science is going to help solve the range problems, it will take many disciplines. A series of workshops were held in connection with the Idaho extension specialists and included information on plant identification, sage grouse, and water quality. She explained students are the working hands of the Center, and they now have 60 students, of which 80% were hired in the field they were trained.

In answer to questions from the committee, **Dr. Launchbaugh**, said improper grazing can lead to weeds. She said the Center has gone through the NEPA process with Forest Service and the Bureau of Land Management. She explained that most of the faculty in the rangeland center have 9 month contracts. She said they plan on a decade of research to determine the effect of livestock grazing on sage grouse. She said there is no answer to why there is a decline in sage grouse, but grazing has also gone down radically, and there is more fire and diseases.

H 47: **Mr. Garrick Baxter**, Deputy Attorney General, representing the Idaho Department of Water Resources, stated that this legislation is to appoint a water district watermaster if a watermaster is unable to perform the duties during the elected or appointed term of service.

MOTION: **Rep. Raybould** made a motion to send **H 47** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Ward-Engelking** will sponsor the bill on the floor.

H 50: **Mr. Garrick Baxter**, stated this legislation would provide an automatic renewal to hydropower water right unless the Director issues an order prior to the end of the current term.

In answer to committee questions, **Mr. Baxter** explained there wouldn't be an opportunity for a challenge later because it would be automatically renewed. He clarified that at the end of the term the Director has the discretion to revisit the license and see if it's in the public interest. He said the term condition would enable the Director to review the term. He said every hydropower water right has a condition placed on it. He explained the language that is stricken is a clean up by legislative services and reverts back to the original language.

Mr. James Tucker, Idaho Power Company, stated that Idaho Power had input on this bill. He stated the lawsuit brought by Idaho Power was for a water right that was received under permit that did not provide a term and later the Idaho Department of Water Resources placed a term limit on the water right. He said they questioned that right and took it to the Idaho Supreme Court who upheld the term limit.

Mr. Norm Semanko, Idaho Waters Users Association, stated that the Food Producers of Idaho also support this legislation. He said irrigators that have hydropower are glad to have this legislation and consider it a benefit.

MOTION:

Rep. Gibbs made a motion to send **H 50** the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Miller** requested to be recorded as voting **NAY**. **Rep. Gibbs** will sponsor the bill on the floor.

Mr. Jack Lyman, Idaho Mining Association, as a way of introduction, explained that this would be a brief overview of mining in Idaho. He explained the rise in interest in mining is due to the rise in the price of gold. He said a study indicates that in 2011 they added \$1.3 billion to the state gross product.

Mr. Ernest Simmons, President and CEO, Atlanta Gold, stated he has nearly 60 years experience in mining and started in Idaho in 1978. He explained that Atlanta Gold is located just outside the historic mining town of Atlanta, Idaho, and is operating on about 2,500 acres on both private and federally leased lands. Atlanta Gold conducts sampling and exploration to provide an estimate of the resources. He stated that through financing and resources, Atlanta Gold has provided a solution to a long-running problem for the state by successfully removing the arsenic from the Boise Watershed. He said that they have invested over 2 million dollars in water treatment, tunnel maintenance, road maintenance, and chemicals for treating the water. He stated that if they are fully permitted and able to come into operation, they could generate 400 jobs in Idaho, which would add to the tax base within the community, and that would continue for a number of generations.

Mr. Curt Williams, introduced **Mr. Chris Guill**, President, Goldhill Reclamation Mining Co., and stated they use environmentally friendly techniques and have a good relationship with Boise County.

Mr. Chris Guill, Goldhill Reclamation Mining, stated their company believes in leaving the ground better than it was. He stated that Goldhill Mining has a good relationship with Boise County. The goal is to be a leader in a highly sustainable and profitable mining company.

Mr. Bill Seals, Formation Capitol Corp., Idaho Cobalt Project, stated that the Idaho Cobalt Project is located outside Challis. He said they spent 10 years in the NEPA process to acquire permits and they do have the permit now. He said all the disturbance to the land will be returned to its original state at closure. He stated the cobalt production facility has zero liquid discharge, minor air emission, and no tailing ponds. He said it's projected they will employ about 200 people with an annual payroll in the millions. This will add millions to employee, corporate, state, and federal taxes.

Ms. Erica Stone, Mine Manager for Agrium, reviewed the locations for phosphate ore reserves in Idaho and neighboring states. She stated that phosphates are used for crop nutrient, pharmaceuticals, industrial projects, and food and beverages. She stated they employ 300 individuals in Idaho and thousand across North America. She said at the North Rasmussen Ridge Mine they have 240 employees and maintain an excellent safety record. She said they started the permit process for the Proposed Rasmussen Valley Project in 2010 and an environmental impact statement is expected in 2014/2015 with production to begin in 2017.

Ms. Anne LaBelle, Midas Gold, said they are located in the Cascade area. She said the idea is to bring the investment dollars to Idaho and investors are looking for a safe place to invest. She stated they are the largest private employer in Valley County and they spent approximately \$45 million in Idaho in 2012. She said they plan to employ 400 direct employees, approximately 1,000 indirect jobs would be created, and that would mean an average annual payroll of approximately \$20 million for the state. She said much of the land is federal land which means they must go through the permit process and their concept is to streamline that process.

Mr. Del Steinger, President and CEO Premium Exploration, Inc., stated the Silver Valley area has had mining and logging since the late 1800's and was last dredged in the 1950s. He stated that nearly \$15 million has been spent on the Idaho Gold Project which employes up to 20 people at a time and supports local business, services and contractors. He said the high-tech process used for exploration is geophysics, soil sampling, and drilling and then concurrent reclamation, and voluntary remediation. He stated they are involved in the community and educate and inform neighbors. He said they began Elk City operations in 2008, have 2,140 claims covering about 18,000 hectares, and have 20,000 m drilled to date.

In response to questions from the committee, **Mr. Lyman** said that a typical time frame from discovery through the permitting process is a minimum of 7 years. He said if the land is state land they are held to the same standards as federal land, but an EIS is not required, so the time frame is closer to 2 to 5 years. Mr. Lyman, said in regards to the Mining Act, some mines were grandfathered in and can go to patent, but the mining law has not been changed.

In response to committee questions, **Ms. LaBelle** stated that their company is a public traded company, and Canada is where they get their investment dollars but there is also a significant American investment group. She said Toronto is considered the mining capitol of the world, and there are a lot of mining dollars there.

Chairman Denney recognized the Legislative Page, **Juritizi Enriquez**, who has been assigned to the committee for the first half of the session.

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 3:12 p.m.

Representative Denney
Chair

Rosee Winder
Secretary