

MINUTES
SENATE RESOURCES & ENVIRONMENT COMMITTEE

DATE: Monday, January 29, 2018

TIME: 1:30 P.M.

PLACE: Room WW55

MEMBERS PRESENT: Chairman Bair, Vice Chairman Siddoway, Senators Brackett, Heider, Vick, Bayer, Johnson, Stennett, and Jordan

ABSENT/ EXCUSED: None

NOTE: The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

CONVENED: **Chairman Bair** called the meeting of the Senate Resources and Environment Committee (Committee) to order at 1:30 p.m.

WELCOME: **Chairman Bair** welcomed the audience; the Idaho Fish and Game Commissioners; Virgil Moore, Director, Idaho Department of Fish and Game; and Mckinsey Lyon, Director, Public Affairs, Midas Gold Idaho. **Chairman Bair** then asked Ms. Lyon to make her presentation.

PRESENTATION: **Ms. Lyon** said she is prepared to update the Committee regarding Midas Gold Idaho's activities involving the Stibnite Gold Project in Valley County. Midas Gold Idaho is based in Idaho and presently has 30 employees. The corporate office is located in Vancouver, Canada with five employees who mainly focus on investments and financial matters.

Ms. Lyon stated the Idaho project is located in the historic Stibnite mining district. This area has been mined for over 100 years for gold, antimony, tungsten, and silver. For most of the time, there were very little, or no regulations, as to how mining was done. As a result, a legacy was left behind. In 1938, the East Fork of the South Fork of the Salmon River was diverted into a tunnel to facilitate mining of the Yellow Pine pit. This cut off fish passage. Today, the river flows directly into the Yellow Pine pit and blocks fish migration.

Tailings were covered with spent heap leach ore and deposited, unlined, in the Meadow Creek Valley. **Ms. Lyon** said the area has been revegetated and legacy materials continue to degrade water quality and leach metals into the surface and groundwater. In 1965, an earthen dam failed, resulting in hundreds of tons of sediment eroding into surrounding streams and rivers. Some material remains even to this day. This erosion provides the most significant source of sediment in the watershed and degrades water quality and fish habitat, and also diminishes wetlands functionality. Forest fire damage also contributes to the erosion and sediment runoff.

Ms. Lyon said that in 2009, Midas Gold Idaho consolidated the land package and evaluated the area, not only for minerals, but also for an environmental cleanup project. A plan was devised and it is referred to as a Plan of Restoration and Operation (PRO). This is a 12-year plan of operation, preceded by two or three years of construction. It will take \$1 billion to bring this project to life, employing 400-500 Idahoans at a time, to repair the legacies. It will also grow economic opportunity with an estimated \$43 million in direct annual payroll during operations and \$86 million in local and state taxes.

As to environmental issues, Midas Gold Idaho plans to:

- reprocess historical tailings;
- restore fish passage;
- repair historically impacted waterways;
- remediate areas contributing to water degradation;
- rehabilitate habitat and natural vegetation; and
- reuse materials on-site.

Ms. Lyon said, as proposed, their project would repair over 50,000 feet of stream channel; build over 450 acres of wetland and open water to enhance wildlife habitat; restore fish passage to historic spawning ground; repurpose seven-and-one-half million tons of spent ore; and reprocess three million tons of tailings.

Ms. Lyon said they have identified that over four million ounces of gold can be produced. The Stibnite Gold Project would be the fourth-highest grade open pit operation in the United States and the sixth-largest in gold production. Gold is not only used for jewelry, but also for industrial purposes, aerospace, technology, and medical equipment. Antimony is a little known, but much needed, mineral. It is estimated that 100 million pounds of antimony are at the site; the Stibnite Gold Project would be the only domestic source of antimony mined in the United States. The United States uses 44 million pounds of antimony each year for fire prevention, national defense, and use in everyday electronics and batteries. The United States is 83 percent dependent on foreign sources to supply this strategic mineral.

Ms. Lyon stated that Midas Gold Idaho is investing in Idaho, having spent \$30 million since 2014 in studies and permits - of which \$22.8 million has gone to vendors, \$7.6 million to Idaho employees, and over \$351,000 in community giving. It is projected that, to build and operate the Stibnite Gold Project, it will cost \$1 billion to construct, \$86 million in local and state taxes, and \$43 million in direct annual payroll during operations.

Over the life of the mine, direct employment will range between 400-600 employees per year, with salaries ranging between \$70,000-\$80,000. This does not include the indirect jobs that result from the project. Midas Gold Idaho plans to partner with an apprentice program and a workforce training program with the State to make sure a workforce will be available when needed.

The next topic that Ms. Lyon discussed was permitting, which takes from seven to ten years to complete. Presently, the regulatory review takes three or more years. There are 11 State and federal agencies overseeing this permitting process which require 50 or more permits for environmental, safety, and regulatory standards.

Ms. Lyon stated that approximately one year ago, an agreement was signed by the agencies that outlined how they would communicate, collaborate, and streamline this process. Before the 50 or more permits are achieved, millions of dollars must be set aside for reclamation.

Ms. Lyon said the PRO was filed with the United States Forest Service (USFS) and was accepted as complete in December 2016. 2017 was a period of public scoping and agency review. The focus this year will be to draft the Environmental Impact Statement, with a comment period later this year.

Ms. Lyon stated that one of the things that Midas Gold Idaho is noted for is its social licensing; social licensing is recognizing that achieving the regulatory licensing is only half of what the industry should be doing. In addition to that, mining companies must also be responsible for earning, illustrating, and maintaining public trust. **Ms. Lyon** said that Midas Gold Idaho has been working very hard to do this. In 2017, \$124,000 was invested in community partnerships. A statewide public opinion survey, conducted by Boise State University in December 2017, showed that 80 percent of Idahoans believe mining can be done in an environmentally responsible manner.

Ms. Lyon said that not only do they have a responsibility for the social licensing, but they also have a responsibility to start telling the story of mining better. They want to ensure that people in Idaho have a voice in the process. One way Midas Gold Idaho is doing this is through the "Support Stibnite" coalition. This gives them an audience to start teaching more about how mining plays a role in everyday lives and Idaho's economy.

Chairman Bair thanked Ms. Lyon for her presentation. He called on Brad Corkill to address the Committee regarding his reappointment by the Governor to the Idaho Fish and Game Commission (Commission).

GUBERNATORIAL APPOINTMENT: Mr. Corkill was reappointed to the Commission to serve a term commencing July 1, 2017 and expiring June 30, 2021. In addition to serving on the Commission, Mr. Corkill has served on the St. Maries School District 63 Board of Trustees for three years; Kellogg School District 391 Board of Trustees for nine years, of which he was the Board Chairman for six years; Shoshone Medical Center Foundation for six years, and Foundation President for two years; and the Idaho Public Charter School Commission for five years. Mr. Corkill is also a member of the Timber Framers Guild, Timber Frame Business Council, and the International Log Home Builders' Association. Since 1988, Mr. Corkill has been the owner and president of Whiteman Lumber Company, Inc. in Cataldo, Idaho.

Mr. Corkill said he represents Region 1 and it has been an honor to have served for four-and-one-half years. One of his early goals was to get the "either sex" elk season reinstated and it has been partly accomplished. **Mr. Corkill** feels that is a shining example of what IDFG is capable of accomplishing.

Mr. Corkill stated that he looks for opportunities for sportsmen in all situations that come before the Commission. Some hunting and fishing regulations have been changed to further benefit sportsmen. A fishing regulation was changed on the Clark Fork River to allow for the use of bait in a catch-and-release situation when the fish are spawning. This allows the fisherman on the bank the same fishing experience as a fisherman in a boat on the river. Another example of a regulation change is the pine squirrel hunting season.

Mr. Corkill said he would like, in the future, to expand the elk cow season in northern Idaho and also investigate the possibility of having a swan season. Three neighboring states have a swan season: Montana, Utah, and Nevada. An inquiry was made if swans are edible and **Mr. Corkill** said they are, as they eat the same ingredients as duck and geese. **Senator Stennett** inquired as to the length and time of a hunting season. **Mr. Corkill** replied that it would be a short season with limited tags, be held in early to mid-fall, with concentration in the Panhandle and southeastern Idaho.

Senator Brackett asked Mr. Corkill his thoughts regarding the Wolf Depredation Board, which is to sunset this year unless renewed. **Mr. Corkill** replied that he fully supports the Wolf Depredation Board and they have been successful in the Panhandle controlling the numbers and finding a balance of coexistence. **Senator Brackett** said trapping of wolves is allowed, along with hunting. He asked for Mr. Corkill's opinion of the trapping regulations in the Panhandle and if they are reasonable, user-friendly, and effective.

Mr. Corkill said that he believes they are, and the Commission has instigated a mandatory trappers course which will start this July. One-third of the wolves taken in Idaho are taken in the Panhandle area and the majority are trapped. The trapping season was opened early in a few selected, very remote areas that were likely to be inaccessible when the traditional season opened on November 15. That resulted in the take of several wolves that would not have been possible otherwise.

Chairman Bair thanked Mr. Corkill for his testimony and his service on the Commission. He then announced the other Commissioners would share what they have been working on in their respective regions.

DISCUSSION:

Derek Attebury, Vice Chairman of the Commission, was the first to speak. **Mr. Attebury** represents Region 6 and said he is grateful to the Governor and the Legislature for forming the Commission in 1938.

One of Mr. Attebury's concerns is the delisting of the grizzly bear. **Mr. Attebury** said District 6 is adjacent to Montana, Wyoming, and Yellowstone Park, as such the Commission works hand-in-hand with them. Recently, the Wyoming Game and Fish Commission directed their department to draft grizzly bear hunting regulations; **Mr. Attebury** said he is awaiting that outcome.

Senator Siddoway said the money contributed to the Wolf Control Board Fund by the livestock industry is matched by IDFG for wolf control. **Senator Siddoway** said it is not a fair formula, as it goes into separate accounts. He asked Mr. Attebury to comment. **Mr. Attebury** said he does not like to use the word "fair"; instead, "a collaborative effort" would better describe the situation. The wolves harm both livestock and game animals and the Wolf Control Board spends the IDFG money in accordance to the wishes of the sportsmen. **Mr. Attebury** stated that the end result of the Wolf Control Board is to control wolves and that can be done together, with the Commission having purview over how those funds are spent.

Mr. Attebury said he understands there is a surplus in that particular account and indicated more of those funds should be spent. **Senator Siddoway** asked if the livestock industry spent their allotment in the fund and there are still predator problems, and IDFG has not spent all their allotment, what Mr. Attebury would suggest happen to the remaining balance of the fund. **Mr. Attebury** said, with the approval of the Commission, that he would want to work with the Idaho Department of Agriculture with regards to the over-all objective to keep wolves in check and not have the money simply accumulate. **Mr. Attebury** said he would support that.

Senator Siddoway asked, with regards to the grizzly bear delisting, if there are any further restrictions on baiting of bears and restrictions on black bear hunting when the State takes control. **Mr. Attebury** stated that, currently, in Unit 61 there is no baiting in an area; however, in another area, one has the ability to bait. The history of that country is that baiting has had minimal conflicts, but the Commission should investigate further.

Senator Stennett inquired, if the livestock industry and the IDFG each used their portion of the Wolf Control Board Funds, could the remaining balance go back to the General Fund for other uses. **Mr. Attebury** said the way he looks at it is that if money is taken from whomever, it needs to be spent wisely and a surplus is not all bad. A surplus could be due to weather or other conditions.

Greg Cameron, Region 4 Commissioner, said he has been on the Commission for one-and-one-half years and would like Idaho to stay like it is for future generations. With regards to last year's bill increase of fees, **Mr. Cameron** said he has not heard any objections during his travels around the State. Depredation has not been a problem in his area, due to the low snowpack, and the need for feeding near Ketchum has not been necessary this winter.

Mr. Cameron stated there are problems with shed (antler) hunters: 1.) the Commission does not control the hunting, and 2.) hunters come in droves from out-of-state and the roads were damaged. This damage hinders ranchers from doing their normal duties. Another problem with so many shed hunters was that game could not disperse in the normal way and were pushed back on ranchers property. **Mr. Cameron** said this problem was discussed at the landowners meeting this winter. **Senator Brackett** said last spring, he was approached by landowners, as well as sportsmen, regarding shed hunting. He stated that it looked like a real "can of worms" and did not want to get involved; he stated he is glad that Commissioner Cameron is involved.

Mr. Cameron agreed that it is a "can of worms" and it will be a problem to work through. **Chairman Bair** suggested that, as IDFG has scoping meetings regarding this subject, they invite the agricultural community to make sure their private land is considered. **Senator Stennett** inquired as to the standard hunting season and its parameters, licensing, and tags for shed hunting and asked for an example. **Mr. Cameron** said the way Utah operates is that a person applies online, then receives a stamp. The season is for two months in the spring

The next Commissioner to speak was Blake Fisher, Region 3. **Mr. Fisher** stated that he is from Boise and has a goal to create the best fish and game agency in the world; he has set that bar, and is working towards that end. **Senator Vick** said there is a problem with geese in Boise and asked what could be done. **Mr. Fisher** replied that he didn't know and it is under the jurisdiction of the city of Boise.

Mr. Dan Blanco said he is from Latah County and represents Region 2. He asked for support for the reappointment of Brad Corkill. **Mr. Blanco** stated that he enjoys being on the Commission and is grateful for his appointment by the Governor.

One of Mr. Blanco's projects pertains to pheasant hunting in the Clearwater Region. **Mr. Blanco** said that he is happy to report that through the work of a lot of volunteers, over a long period of time, they now have Idaho's first Access Yes 800-acre property devoted exclusively to youth hunts for pheasants. This was done with little expense. **Mr. Blanco** stated that a generous landowner waived his normal Access Yes rental fee to make this possible. Also, volunteers raise pheasants for release on the property. **Mr. Blanco** said their goal was to not lose a generation of pheasant hunters. He would like to get similar opportunities for adults in the Clearwater.

Mr. Blanco said another project is studying and learning about chronic wasting disease and developing a plan to address it. The question is not whether it will affect Idaho, but when. Montana's situation has sparked people into action. Two things that will be included in the plan is a provision for rulemaking on carcass importation and control over the use of urine products.

Mr. Blanco said the numbers related to wolves are notably high. In 2002, 60 bull moose tags were given out and 46 bulls were taken in Unit 15, which is south of Grangeville. By 2011, eight tags were issued, with one bull taken. This fall, no tags were issued and no bulls were taken. **Mr. Blanco** said he talked to the local people and outfitters in that area and they are blaming wolves; he feels that something needs to be done. **Mr. Blanco** said the bottom line is that the IDFG, the Commission, and the people of Idaho need to manage the wildlife, not the wolves.

Chairman Bair asked Mr. Blanco if the wolves that were planted in Idaho are moving into Montana and Washington; if so, he inquired if those states are having issues with wolves as the result of that movement. **Mr. Blanco** said Idaho is harboring the core population of wolves for the northern Rocky Mountains. There are some issues and conflicts arising on the Washington and Oregon borders. The most recent figure on the number of packs in Idaho is 108, with 20 of them considered border packs, meaning they move interstate. There is no question that they do move around and repopulate.

Mr. Blanco stated that Canadian wolves were released in Idaho in 1995-96 and had the run of the country for ten years. The neighboring states have an opportunity to make a decision on how many wolves they will have. **Mr. Blanco** said a strategy should be adopted, now that Idaho knows what the minimum requirements are to avoid delisting. The needle is not moving enough to suit a lot of people, using Unit 15 as an example.

Chairman Bair then asked the Director of IDFG to address the Committee.

Virgil Moore, Director, IDFG, thanked the Committee for the fee bill passed last year. Early signs of the price-lock is providing a lift. The sale of the three-year license has increased, compared to past sales. **Director Moore** said that IDFG has implemented improvement, retention, and reactivation and price-lock is a large part of that. IDFG hired a marketing director which will help IDFG evaluate the matrix that they receive and can adapt to the patterns that they see from the license sales.

Chairman Bair asked for an update on the RFP - licenses and lottery tags. **Director Moore** said IDFG has a new vendor for the license sales system and it should be completed during the months of April and May. As part of that contract, they have the responsibility for the controlled hunt draw. **Chairman Bair** inquired if there were increased security measures with the new vendor. **Director Moore** assured the Chairman that IDFG has adapted to the new standards that are in place, relative to the state-wide expectation for how those data bases are handled and that vendor has been bonded and is responsible to meet those standards.

Senator Johnson said the Minutes from March 2017 reference IDFG submitting a report in 2018 to this Committee regarding the depredation fund. **Director Moore** said he would be glad to provide a report to the Committee showing how the money is moving through the system.

Chairman Bair thanked the Director and Commissioners for their participation in the meeting.

ADJOURN:

There being no further business at this time, **Chairman Bair** adjourned the meeting at 2:45 p.m.

Senator Bair
Chair

Juanita Budell
Secretary