

MINUTES

HOUSE ENVIRONMENT, ENERGY & TECHNOLOGY COMMITTEE

DATE: Monday, February 04, 2019
TIME: 1:30 P.M.
PLACE: Room EW41
MEMBERS: Chairman Vander Woude, Vice Chairman Amador, Representatives Anderson, Anderst, Horman, Moon, Scott, Ehardt, Armstrong, Furniss, Hartgen, Lickley, Raybould, Young, Smith, Chew, Ellis, Mason

**ABSENT/
EXCUSED:** Representative(s) Anderst

GUESTS: None

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

MOTION: **Rep. Raybould** made a motion to approve the minutes of January 22, 2019.
Motion carried by voice vote.

Mike Somerville, Idaho Association of Soil Conservation Districts (Districts), stated they are the primary non-government entity in Idaho leading conservation, sustainment and enhancement in performing voluntary non-regulation work on Idaho privately owned land. Mr. Somerville gave a brief history of the formation of the conservation districts. Districts have the authority to assist private landowners in conserving resources and stopping erosion, to conduct surveys and demonstrations, carry out flood control prevention through their watershed program administered by federal agencies, to facilitate projects and provide information on at-risk water systems, fire suppression restoration needs, weeds, culverts, bridges, at-risk farm infrastructure, fish habitat at risk, wildlife habitat at risk, hydrology, hazardous trees and reforestation needs. Water quality presents a significant challenge to landowners and the Districts' water revitalization program includes constructing off stream water facilities, enhancing riparian areas and installing in stream bars. They provided leadership for the Brundage Watershed. The Districts receive a base funding from the legislature of \$8,500, and each district works with the county to receive funds to help them implement their conservation program at the county level.

Vice Chairman Amador turned the gavel over to **Chairman Vander Woude**.

In response to committee questions on what Districts would do with additional funding, **Mr. Somerville** responded that each conservation district has a list of numerous unfulfilled needs. He provided an example of a project with the lower Boise Watershed involving undesirable material down river, indicating that water quality solutions are one of the areas they work to aggressively fulfill their role.

Teri Murrison, Administrator, Idaho Soil and Water Conservation Commission (ISWCC), informed the committee they provide voluntary agricultural stewardship of natural resources on Idaho's privately owned lands and some public lands by implementing projects that improve water quality, restore streams, rivers, forests, range and croplands and contribute to healthy soils. ISWCC's five-member board is governor appointed. Their General Fund appropriation for FY2018 was about \$2.8 million, with an agency income of approximately \$4 million and expenditures of \$4.2 million. ISWCC core function focus is to provide financial and technical assistance to conservation districts, provide incentive-based and other conservation programs, and to provide education on voluntary conservation. They serve 50 local conservation districts in Idaho with financial and technical assistance. They manage

the Resource Conservation and Rangeland Development Program (RCRDP) which provides loans to landowners to implement conservation practices. Rule changes adopted by the Legislature last session made RCRDP more attractive to potential borrowers by streamlining the application process. Ms. Murrison shared a new program called "Tracker" that imports their databases containing technical assistance projects from FY2017 to FY2019 that tell ISWCC's story and provide project information for others to use.

Mckinsey Lyon, Vice President Public Affairs, Midas Gold Idaho (Midas), said Midas employs about 30 people to manage The Stibnite Gold Project in Idaho and four people in Vancouver, Canada to manage finances. Midas uses a sustainable approach to mining, and their mine location is Stibnite, Idaho, 14 miles from Yellow Pine, Idaho. Ms. Lyon gave a history of the Stibnite Mining District and the legacy left of sites in need of repair, including the Yellow Pine Pit; deposits in the Meadow Creek Valley; 10.5 million tons of spent ore and unlined tailings; and Blowout Creek, a scar from a failed reservoir that allows erosion of hundreds of tons of sediment into the river every year. She outlined the Plan of Restoration and Operation (PRO) Midas delivered to the US Forest Service (USFS) in 2016, which puts restoration at the front of the plan and will involve a \$1 billion investment. Midas will repair, remediate, rehabilitate and rescue materials on site in the sequence of the Yellow Pine Pit; Spent Ore and Tailings Site; Heap Leach & Smelter site and West End Pit, while mining concurrently.

Ms. Lyon outlined the tailings management process which she indicated was a closed process designed for long-term safety and not a heap leach process. After Midas' mining is done, a passage tunnel routing fish from the Yellow Pine Pit back to spawning areas and backfilling the pit will begin. Midas anticipates the mine will increase road traffic by 1%, which they are trying to mitigate by locating administrative positions off site, busing employees from Cascade for two week on-site shifts, and addressing upgrades at Highway 55 at Warm Lake. Midas has proposed an upgrade to Burntlog Road. During construction, they will need to hire 400 to 500 employees which will go down to 250 during reclamation, and their economic study of 2015, anticipated hiring 150 from Valley County, and 150 from out of area who will travel in to Idaho to work. Midas is working on a water management plan. For a clean up bond, rather than the \$15,000 per acre that mining companies are required to bond, Midas plans to put up a real cost bond using a real cost calculator that is updated every couple of years. Midas plans to utilize community agreements to coordinate with local communities.

In response to committee questions concerning the Nez Perce Tribe opposing their process, **Ms. Lyon** responded Midas has been reaching out to the tribes for years, and they are welcome to be a meaningful part to the solution. She further responded to inquiries regarding the financial stability of Midas, by saying Midas has invested over \$180 million in the project to date, and it will take about \$1 billion dollars. She said the \$4 million of gold and the antimony will attract investors so that a company with a \$100 million value can handle a \$ 1 billion investment. Midas cannot move forward until they have \$1 billion to invest, and they are sure they will be able to do so.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 3:01 p.m.

Representative Vander Woude
Chair

Lorrie Byerly
Secretary