

MINUTES
SENATE RESOURCES & ENVIRONMENT COMMITTEE

DATE: Wednesday, February 12, 2020
TIME: 1:30 P.M.
PLACE: Room WW55
MEMBERS PRESENT: Chairman Heider, Vice Chairman Brackett, Senators Bair, Johnson, Mortimer, Patrick, Guthrie, 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 Heider** called the meeting of the Senate Resources and Environment Committee (Committee) to order at 1:29 p.m.
PAGE GRADUATION: **Chairman Heider** said a farewell to the Committee's Page, Ryan Telfer, and asked him what he has enjoyed about the page experience. **Mr. Telfer** spoke of his experience and detailed what he learned while being in service to the Committee and the Senate as a whole.
MINUTES APPROVAL: **Senator Jordan** moved to approve the Minutes of January 29, 2020. **Senator Stennett** seconded the motion. The motion carried by **voice vote**.
PRESENTATIONS: Introduction of mining presentations.

Benjamin Davenport, Executive Director, Idaho Mining Association, introduced himself and thanked the Committee for allowing the mining industry to update them on efforts happening around the state since it is a very important Idaho industry. He detailed the diverse, robust, and abundant mineral resources in Idaho which have provided, as of 2018, approximately 10,000 direct and indirect jobs in Idaho, with approximately \$680 million in wages and \$95 million in taxes; mining is an economic driver in rural Idaho.

Putting America in the Driver's Seat

Trent Mell, President and Chief Executive Officer, First Cobalt, introduced himself and Governor Otter (2007-2019), a board member, and described First Cobalt's assets which have industrial and military applications. He clarified that First Cobalt is a three-year-old company created to explore Idaho's cobalt belt which is the most attractive place on the planet to explore, especially since cobalt is currently not mined in United States. He explained how First Cobalt wants to put America in the driver's seat of the electric vehicle revolution (see attachment 1).

In response to questions from the Committee, **Frank Santaguida**, Vice President Exploration, First Cobalt, described the mines, underground cobalt reserves, and detailed other critical minerals at their mining locations. He elaborated on the potential military application for battery grade cobalt and detailed the possibility of how quickly their facility could be converted in a war time situation.

The Next Generation of Phosphate Production: The JR Simplot Company's 75 Years of Making Phosphate Fertilizers in SE Idaho and Future Plans

Alan Prouty, V.P. Environmental and Regulatory Affairs, JR Simplot Company (Simplot), discussed how Simplot has been making phosphate products in Idaho for 75 years at their Pocatello facility. Since the early 1980s they have operated Smoky Canyon Mine which has an estimated lifespan of another 15 years. He stressed that Simplot is a stable employer for the local Pocatello community, and has spent decades researching to understand chemical mechanisms and changes to mining practices to address those mechanisms. Simplot has invested a lot into the mines in terms of engineering and science to make sure they are not causing problems for the future. He further detailed their other operations as well as future predictions (see attachment 2).

Integra DeLamar Mine Update

Tim Arnold, Chief Operating Officer, Integra Resources, introduced himself and discussed the DeLamar and Florida Mountain mines in between Silver City and Jordan Valley, which were first established in 1888. Those mines closed down in 1998 due to low precious metal prices, but have been reopened. He explained that Integra Resources is working on exploration to enhance understanding of deposits available and conducts environmental engineering and economic studies (see attachment 3).

Jervois, Idaho Cobalt Operations Update

Floyd Varley, Chief Operating Officer, Jervois Mining, introduced himself and explained that Jervois focuses on battery metals, mostly nickel and cobalt, and their primary focus is on Idaho as it is their most advanced property. He further detailed that Jervois is the second largest cobalt company globally that is publicly traded, operating on federal lands, and consisting of contiguous non-patented lode mining claims (see attachment 4). He expounded that Idaho has the highest deposit of cobalt outside of Africa, providing a strategic importance to the United States as the fifth largest cobalt deposit in the world.

Senator Stennett inquired about industry prices that caused the project to pause, and **Mr. Varley** explained that short term oversupply made the price irrational.

Value In Precious Metals, Resuming Full Idaho Operations

Luke Russell, V.P. External Affairs, Hecla Mining, introduced himself and explained how Hecla was headquartered in Coeur d'Alene and the oldest United States mining company still in operation, being established in 1891. Hecla supports Idahoans and is a partner in the communities where they operate, being one of the largest direct and indirect employers in Idaho and the inland northwest. He detailed that the Lucky Friday mine, having recently ratified the union workers labor agreement, will be back in full production by the end of this year. Hecla is investing in technology and innovation (see attachment 5).

Stibnite Gold Project Update

Mckinsey Lyon, V.P. External Affairs, Midas Gold, introduced herself and explained the Stibnite Gold Project which started in 1899 mining for gold in Valley County, Idaho (see attachment 6). She explained that tungsten and antimony were also discovered at the mine; and during WWII, due to the war's need and their supply being so significant, their mine was credited for shortening the war by a year. She acknowledged that the area needs attention, especially ground and surface water issues which are showing elevated levels of arsenic and antimony, that are going into the river every year. Midas Gold has a two-pronged solution to clean up, and they are investing in those solutions to water quality issues. The State of Idaho has brought a solution-focused mentality to the table and Midas Gold appreciates interagency cooperation.

Itafos Conda Mine Update

Tim Vedder, General Manager, Itafos Conda, introduced himself and Mark Curby, Corporate Operations Officer, and detailed that Itafos is prioritizing extending the phosphate ore supply via the Husky/Dry Ridge efforts. He detailed the company's economic impact being \$367 million, and that they support a highly paid and skilled work force. He clarified Itafos' commitment to their local community and detailed their contributions to southeastern Idaho, in Caribou and Bear Lake Counties (see attachment 7).

HJM 11 Joint Memorial by House Resources and Conservation Committee; permitting Itafos Conda's Husky 1/North Dry Ridge project

Senator Mark Harris, District 32, reported that southeastern Idaho has the best supply of phosphate. This memorial encourages that the Itafos Conda's Husky 1/North Dry Ridge project be approved in a timely manner so Itafos Conda can move forward in an opportune and cost-effective process to provide viable resources for the state of Idaho.

MOTION: **Senator Bair** moved to send **HJM 11** to the floor with a **do pass** recommendation. **Vice Chairman Brackett** seconded the motion. The motion passed by **voice vote**. Senator Harris will carry the bill on the floor.

PRESENTATION: **Governor Otter** spoke to the Committee about his contribution as a board member to First Cobalt and Integra Resources. He explained the exciting work the companies are doing in Owyhee County. He expressed his interest in the subsurface wealth of the nation and its ability to pay off the national deficit, maintaining that Idaho can play a major role.

ADJOURNED: There being no further business at this time, **Chairman Heider** adjourned the meeting at 2:57 p.m.

Senator Heider
Chair

Erin Miller
Secretary