

MINUTES  
**SENATE RESOURCES & ENVIRONMENT COMMITTEE**

**DATE:** Wednesday, February 09, 2022

**TIME:** 1:30 P.M.

**PLACE:** Room WW55

**MEMBERS PRESENT:** Chairman Vick, Vice Chairman McClusky (Heider), and Senators VanOrden (Bair), Blair (Johnson), Patrick, Guthrie, Burtenshaw, Stennett, and Semmelroth

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

**TESTIMONY:** **Jeff Raybould**, Chairman, Idaho Water Resource Board (IWRB) testified in favor of the four nominees to the IWRB on the agenda today.

**GUBERNATORIAL APPOINTMENT:** **Committee Consideration of the Gubernatorial Appointment of Dean Stevenson of Paul, ID to the Idaho Water Resource Board.** **Mr. Stevenson** introduced himself and shared that he was born and raised in Minidoka County. He has a bachelor's degree in Agri-business from Utah State University. He was involved with the Idaho Grain Producers Association and groundwater districts in the Magic Valley, and in the Hagerman water settlement cases and the Surface Water Coalition agreements. He farms with his family in Minidoka and Lincoln counties.

**DISCUSSION:** **Chairman Vick** asked why Mr. Stevenson was interested in this position. **Mr. Stevenson** responded he farms in a desert and it is hard to farm in a desert without water, and he would like to be able to help solve water related problems.

**Senator Stennett** referred to the recent management agreement for the very complicated watershed, Basin 37, and asked what Mr. Stevenson saw going forward, especially in light of the current low water year. **Mr. Stevenson** responded that the Basin 37 deal was a good start. He stated it would have been nice to start this agreement in a high water year, but he believes that the basis of the agreement is on the right path. He stated there were some good people involved, but they will need to make some difficult decisions. **Senator Stennett** asked how Mr. Stevenson would be able to help facilitate the efforts in managing the Basin 37 agreement so that it was successful. **Mr. Stevenson** stated he could use some of his past experience to keep those involved on a path moving forward, and he could facilitate infrastructure improvements that would probably help with water management.

**Senator Burtenshaw** and **Senator Blair** expressed their support for Mr. Stevenson based on their work with him in the past.

**GUBERNATORIAL APPOINTMENT:** **Committee Consideration of the Gubernatorial Appointment of Brian Olmstead of Twin Falls, ID to the Idaho Water Resource Board. Mr. Olmstead** introduced himself and shared that he is a fourth generation farmer in Idaho. His great grandfather cleared their farm in 1904. He has worked for 22 years in the water management and water delivery business since he went to work for Twin Falls Canal Company in 2000. He understands that different parts of the State have different climates and different issues, but all of them need to manage their water, which is the most precious resource in all areas of the State. His goal is to solve the future of water in Idaho.

**DISCUSSION:** **Senator Stennett** praised Mr. Olmstead on his work as a facilitator on the Basin 37 discussion and asked Mr. Olmstead what he would do to continue to assist watersheds. **Mr. Olmstead** responded that with better management, infrastructure improvements, and probably some outside water when the Big Wood River does not produce enough, everyone in the area could prosper.

**Senator Patrick** praised Mr. Olmstead on his efforts with the Twin Falls Canal Company to clean up the Snake River and asked him to talk about this project. **Mr. Olmstead** responded that clean up of the Snake River was one of his first and biggest responsibilities when he was originally hired by the Twin Falls Canal Company. Although agriculture was not regulated under the Clean Water Act, he recognized agriculture needed to be addressed as part of the cause of problems in the Snake River. He pushed for sprinkler conversions, built large water quality ponds, and encouraged better farming and soil health practices. The result was an 80 percent improvement.

**Senator Guthrie** asked if Mr. Olmstead and the IWRB shared his concern about the growth in the State and the pressure this puts on water resources. **Mr. Olmstead** agreed that increases in municipal water needs as a percentage of overall water consumption will be huge. He would like to see water remain available for agriculture as much as possible. He did not believe we were in as bad as shape as other states, but we could be if we do not find balanced solutions.

**GUBERNATORIAL REAPPOINTMENT:** **Committee Consideration of the Gubernatorial Reappointment of Albert Barker of Boise, ID to the Idaho Water Resource Board. Mr. Barker** introduced himself and shared he is the only attorney on the IWRB. He has been practicing in Idaho, primarily in the area of water and natural resources, for about 40 years. He primarily works for irrigation delivery entities. He is familiar with the adverse impact of growth on the delivery of water. He stated the purpose of the IWRB is limited, but they are statutorily committed to writing a water plan to deal with the unappropriated waters of the State and to do projects. This is where he would like to continue to provide assistance to the IWRB.

**DISCUSSION:** **Senator Stennett** asked several questions related to how Mr. Barker handles representing his clients and introducing legislation without conflicting with his role as an IWRB member, including how he handles cases after his representation ends. **Mr. Barker** responded that if an issue affects his own personal property or his client's property or legal interests, he has to declare a conflict of interest to the other IWRB members and he cannot discuss or vote on the issue. He added that water cases rarely end. In a case such as the Basin 37 agreement negotiated last year, he would likely recuse himself, but in a case such as the Snake River adjudication he worked on in 1984, he might feel free to participate. He explained that if he introduced legislation that had no effect on IWRB, he would advise the board. If the legislation was water related, he would have a discussion through the Attorney General's Office, who would advise IWRB.

**Senator Guthrie** asked how aware IWRB was about compromised natural recharge and groundwater caused by converting to more efficient sprinkler

systems. **Mr. Barker** stated that IWRB is acutely aware of this problem. They have an aquifer stabilization committee that looks at aquifers all over the state. Aquifers everywhere are in a decline for this reason, and also due to greater demand. IWRB looks for projects, such as Anderson Ranch, that they can help fund to address these concerns.

**GUBERNATORIAL REAPPOINTMENT:** **Committee Consideration of the Gubernatorial Reappointment of Roger Chase of Pocatello, ID to the Idaho Water Resource Board.** **Mr. Chase** introduced himself and shared his original appointment to IWRB was as a politician. He was on the Pocatello City Council, then a State Legislator, and then Mayor of Pocatello. He shared Idaho should be careful on how it manages growth and at the same time, find innovative ways to meet its water needs. In his years with IWRB he tried to emphasize that water was a finite resource. He stated Idaho should be wise about preserving its great outdoors and remember the importance of its rivers and lakes.

**DISCUSSION:** **Senator Stennett** asked about ideas to allow water for growth in housing in the area of the Mountain Home Air Force Base. **Mr. Chase** responded that finding solutions to the water problems in Mountain Home has been tough. He added that as Idaho has grown, IWRB has been more comfortable with looking at water issues in Idaho as a whole. They understand that there are water shortages in the state, but they also understand taking water from one place might solve one problem, but create another.

**Senator VanOrden** asked how water resources play into municipalities annexing agricultural land. **Mr. Chase** responded that municipalities need to consider the water they would bring in and the tools they have. They must work hard to make sure they do not bring in something in the water that they do not want. All parties need to communicate and make sure everyone understands that things are different in the city than they are at the farm.

**Senator Guthrie** expressed his support for Mr. Chase based on his work with him in the past.

**PRESENTATION:** **Jervois: Building a Leading Independent Cobalt and Nickel Company.** **Matthew Lengerich**, Executive General Manager for Mining, Jervois Global Idaho Cobalt Operations, presented on Jervois Global and their Idaho Cobalt Operations Project (Attachment 1). Jervois Idaho Cobalt Operations is a low impact underground mining operation in the middle of the Salmon Challis National Forest that was planned for over 20 years. When operational in the second half of this year, it will be the first primary cobalt production mine in the United States since the early 1980s.

**DISCUSSION:** In response to questions from **Senators Blair, Guthrie, Burtenshaw, Patrick, and Stennett, and Chairman Vick, Mr. Lengerich** expanded on his presentation and provided some additional information:

- Batteries and some of their components, such as nickel and cobalt, can be recycled.
- Jervois expects to be competitive with China's price per ton of cobalt.
- Jervois is not certain about the life of the Salmon cobalt mine, but they estimate it is around seven or eight years.
- Idaho Cobalt Operations sits within the Idaho Cobalt Belt, which is a large regional mineralization of cobalt. They only have claims on a very small part, so their geologists expect cobalt mineralization to continue, and possibly extend the mine life a number of years.

- The last primary cobalt producer in the United States was Blackbird Mine, which is nearby.
- Jervois headquarters are in Melbourne, Australia.
- They are financed by a \$100 million Nordic Bond.
- The mine is entirely on Forest Service land.
- Jervois purchased the company that owned the mining claims in 2019. The prior owner obtained their operating permit in 2009, but never actually did any mining.
- The mine operates under a plan of operations, which is submitted to the United States Forest Service. That plan of operations will change over time as Jervois learns more about the site.
- Their refinery is in Sao Paulo, Brazil. They will take concentrate material off of the mine site and ship it to their refinery in Brazil for processing. Refined cobalt will then return to the United States.

**ADJOURNED:**

There being no further business as this time, **Chairman Vick** adjourned the meeting at 2:43 p.m.

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Senator Vick  
Chair

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Shelly Johnson  
Secretary