

NORTHERN COUNTIES LAND USE COORDINATING BOARD

Minutes

Thursday, April 1, 2010

KOOTASCA Senior Center, Northome, Minnesota

Call to Order: The meeting was called to order at 9:30 a.m. by Chairman Dennis Fink with the following in attendance. (All actions of the Board were supported unanimously unless otherwise indicated.)

All Member Counties Present:

Commissioner Brian Napstad, Aitkin
Commissioner Bob Fenwick, Cook
Commissioner Charles Lepper, Koochiching
Commissioner Wade Pavleck, Koochiching
Commissioner Todd Beckel, Lake of the Woods
Commissioner Don Jensen, Pennington
Commissioner Oliver "Skip" Swanson, Pennington
Commissioner Roger Falk, Roseau
Commissioner Jack Swanson, Roseau
Commissioner Dennis Fink, St. Louis

Others Present:

Craig Engwall, Department of Natural Resources
Bob Tammen, Soudan resident
Pat Tammen, Soudan resident
Douglas Skrief, NCLUCB Staff

Administrative Actions

1. Approval of Agenda with the following additions:

1) U.S. Forest Service and DNR land exchange in Superior National Forest (federal)
m. Jensen s. Beckel

2. Approval of Minutes: March 4, 2010 meeting

m. J. Swanson s. Napstad

3-4. Financial Report and Bills:

The Vice Chair reported a general account balance of \$99,735.70 and a Land Use Conflict Management balance of \$15,005.28. Total accounts balance, after payment of approved expenses of \$913.58 was \$114,740.98.

The Executive Director submitted an invoice for \$921.60 for one month of professional services and expense reimbursement. A bill for \$55.00 was submitted by Northome Senior Citizens for the meeting hall and refreshments.

m. Napstad s. Lepper

Correspondence

1. An invitation to Mr. William Becker, executive director of the Lessard-Sams Outdoor Heritage Council has been extended for June 3, 2010. Location of that meeting was discussed. Invitation to Beltrami and Itasca counties were suggested for that meeting. A request of Mr. Becker for a fundamental review to date of the heritage council, its decision making process and its goals was suggested. Comm. Pavleck suggested that former Sen. Lessard be invited to a meeting; he was encouraged to extend the invitation. The Chair referred to the House Legislative Guide for Constitutional Amendment Expenditures and the principles that would apply to the amendment funds. Mr. Engwall noted that the state Senate was currently opposed to the House definitions and principles. The recommendation authority of the various councils was reviewed; legislative approval is demanded of all. One issue was the involvement of the Clean Water Council in clean water funding decisions. Clean water funds being administered through existing processes of the MPCA and BWSR may be problematic, commented Comm. Napstad, as it may be antithetical to voter intention regarding the amendment. A similar issue may attend the Lessard-Sams if it sees itself as

mandated to marshal funds according to the DNR budget. The score sheet for BWSR RIM projects is now being used to screen Lessard-Sams applications, meaning the same criteria apply. Sen. Lessard may be approached to speak out on the issue. A question of the NCLUCB position arose. Comm. Napstad suggested that northern counties do not want more land acquisitions in the north but do want Lessard-Sams funds for preservation and not restoration. The BWSR score sheet is weighted toward restoration of impaired waters. The northern water committee met recently and confirmed that southern counties would score better due to their needs for restoration. Mr. Engwall suggested that there may be projects that would be amenable to northern county interests and that could be supported by the DNR; a recent request to Lessard-Sams for clean-up of the St. Louis River estuary would be an example. The Chair noted that competition for funds demands the labeling of resources in ways which may lead to unintended consequences, such as the designation of impaired waters. And this can lead to increased costs, added Comm. Beckel, in a situation where agencies, to garner initial funding, first designated waters as impaired. One current proposition is that the state could be divided into regions to make fair the competition for acquisition of funds, noted Comm. Pavleck. "Habitat development, adjustments or stocking" might be preferable to "acquisition" of land in public-land-rich northern Minnesota, added the Chair.

The NCLUCB meeting in June may open conversation and point out the need for county input as a participant. Proposals to the council are due in June. The four parts of the legacy funding might be explored, suggested Comm. Beckel; representatives of the Clean Water fund might be heard from regarding intentions and goals. Discussion followed on means of influencing decision making, including setting a united agenda, a media presence, and relationships with decision makers. Conversation with Sen. Lessard, who feels strongly about northern Minnesota's interests in northern Minnesota, might best take place in May.

Other correspondence included thank you letters to BWSR and Barr Engineering for their presentation in March on Wetland banking in northern Minnesota. Comm. Beckel noted that the interactive electronic banking tool demonstrated to the Board in March is now on-line; it still identifies land parcels where the present owner has expressed that they are not interested in wetland banking, which may prove problematic in that responsibility for the designation will fall back on local SWCDs. The Chair disagreed, in that land ownership can change and the process was to identify potential opportunities that might exist over the long-term. Parcel searches are now easy, added Comm. Napstad.

Discussion Issues

LOCAL

1. Lake Vermillion State Park Initiatives: A proposed bill would offset tax loss in the Lake Vermillion area with creation of a new state park. The Chair offered that St. Louis County commissioners are not on board with this proposal.

2. PolyMet Mining delays and criticism of plan: The Chair recalled that the EPA had criticized areas of the plan that had not shown up in the EIS document. Mr. Engwall noted that – beyond the focus on the Environmental Impact Statement – without a significant land deal with the federal government the project will not proceed. Permits will have to be developed as well as the land deal, during which time some preparatory work on the project might be accomplished. The open pit nature of this project has attracted concern. Tailings will be returned to the mine.

Comm. Napstad added that Kennicott Exploration in Aitken and Carlton Counties is making multi-million dollar offers for 80-acre land parcels and closing some deals though, publicly, they have said nothing. A large underground mine is proposed.

STATE

1. DNR request to de-list the Timber Wolf from the Endangered Species List: Mr. Engwall related that the DNR has a plan in place that works and delisting would be appropriate. The Minnesota population, unlike Wisconsin's hundreds, is in the thousands, exceeding goals. Deer populations are reported affected. The Minnesota Cattlemen's Association is filing suit against that US Fish & Wildlife Service for exceeding its goals. Meeting population goals might be celebrated, it was suggested.

2. Office of the Legislative Auditor Report on natural resource land: The report addresses PILT and also takes to task the management of land. Wide legislative level discussion is occurring on the valuation of acquired land. The acquired land rule went into effect only recently, noted the Chair, at the height of land values as opposed to PILT which started in the 1970s when the price was fixed regardless of land value. The report is generally broad in scope, noted Mr. Engwall, and the PILT section may lump together varying conditions when the offsetting of taxes is not universally true. Also, comparisons were not level, as with the management of forestlands versus that of parks. The Chair noted that some confusion

results when the DNR distributes as a pass-through funding for PILT that is perceived as coming from the DNR itself. The DNR budget is \$26 million higher because of this and this may have future impact. Legislative committees have been hearing sides of this. Environmental Permitting will be part of next year's Legislative Auditor's reporting.

3-4. Governor's cuts include elimination of RIM funding. Cuts to RIM funding may result in unleveraged federal dollars. Some movement toward separate legislation to restore that money has been suggested. The Governor will have the last say in budgets through unallotment, the Chair added.

5. School Trust Lands Bill for New Oversight Agency: Legislators are considering the possibility that an agency other than the DNR might be created to manage school trust lands and money. The Constitution stipulates that the DNR will get a certain amount of trust lands, now at about eight million acres. Added to original 16 and 36es are Swamp Trust lands from the federal government. All these lands are to be managed, minus expenses, for supporting public education. A Legislative Auditor's report in the late 1990s reported that not all DNR commissioners had been diligent in this management. Not all acres are productive land. The Constitution mandates the maximization of revenue while statutory law mandates that the land be managed so that it enhances the natural resource. The DNR did not fully take on the trust responsibility but saw the land as resource land. Funds are generated from the harvest of timber and mineral rights (some \$30 million in annual royalties). There is 20,000 acres of land in old growth status that were not harvested. An exchange for land with the BWCAW is being negotiated. Taking management away from the DNR may not solve problems, Mr. Engwall suggested, as it would, for example, leave forest certification without an agency to administer it. Unmanageable land, such as near the Duluth airport, might be sold. Comm. Fenwick inquired about the regional distribution of trust lands; funds, explained the Chair, were to be gathered statewide and put into a single fund from which only interest would be drawn.

FEDERAL

1. Voyageurs National Park Day in Washington, D.C.: Minnesota's only national park was celebrated in the capital, bringing together commissioners and the Minnesota legislative delegation. Conversation included the St. Louis/Koochiching County sewer project to improve park waters. International Falls Mayor Shawn Mason arranged for a conversation with the House Speaker's staff about energy issues. Comm. Pavleck noted that he suggested that the Koochiching County plasma gasification project might be made a pilot project with federal help; the feasibility study for the project, which already involves federal funds, is complete and is being reviewed.

The Chair added that nine of the ten congressional delegates sent representatives to a presentation. In-holdings within the park were discussed, with a subgroup addressing their purchase. There was talk of congressional initiatives toward making the park a travel destination. A shore lunch evening gathering was hosted. Mr. Engwall noted that the Governor's Fishing Opener is being held at Kabetogama Lake, which may bring attention to the park.

2. NACo Environmental Committee Action: At the national meeting of NACo, reported the Chair, a Public Lands issue arose concerning the definition of "renewable biomass." These are the products and byproducts of the timber industry. A resolution was passed to agree with a farm bill that creates a definition in which one can utilize all of a tree for business if the product would otherwise be destroyed after harvest.

An invasive species resolution will not be introduced until July. After the Chair's presenting on the issue, about six co-sponsors are now in place. The recommendation is that solutions in hand will be implemented immediately. California, Delaware and Michigan are interested.

In July, the Clean Waters Restoration Act will be up for reauthorization. The Environment, Land Use and Energy Committee of NACo is itself polarized over the issue. Rather than fight the issue yearly, it may be moved to the platform. The Agriculture Committee and the Public Lands Committee followed by the Transportation Committee will take up a resolution. At issue is the removal, or not, of "navigable waters" as a definition of federal jurisdiction. Comm. Pavleck noted that Congressman Oberstar had the votes needed until NACo expressed opposition. Western states were especially concerned about Army Corps of Engineers authority over water issues. He added that the Corps is already acting in Koochiching County as if the act had been passed. States have jurisdiction except in navigable waters, he commented, and dealing with state agencies is preferable to dealing with the Corps. Congressman Oberstar wishes to go back to conditions before two Supreme Court decisions that narrowed the definition of the act, the Chair recalled; of especial focus are those states that have not taken responsibility for their water resources. The Constitution of Minnesota says that land and the waters within its boundaries belong to the state and are for the state to distribute. Yet, in the CWRA there is no room for the states to have authority. The Chair would support opening and rewriting the Clean Water Act.

Two Cap and Trade resolutions were presented at NACo, one for and one against. The resolution for was modified from a negative position to read that counties should position themselves to be at the table during cap and trade discussions. There is likely to be a debate on cap and trade, it was agreed, whether under that name or not. The goal was to put forward a positive resolution. Comm. Beckel suggested requesting fiscal studies that would examine impacts that would bring discussion of rules to the forefront. Cap and Trade may increase energy costs while the cost of living in rural Minnesota is increasing; worldwide competition means electricity costs are of concern. The Chair encouraged county discussions regarding cap and trade so that counties will be prepared to respond in a short period to inquiries of interest in joining cap and trade programs. Comms. Napstad and Jensen asked how county commissioners are to be educated on the issue – among many other local concerns. Comm. Fenwick suggested it is time for states to take issue with such legislation. NACo is bypassing the power of the states. And Rep. Oberstar is not listening to the states. Commissioners should be talking to their own state legislators and administrators; counties are arms of the state and how are they to move the federal agenda when they cannot affect the state level, he asked. The Chair encouraged a position from the Board.

3. Sign-up for CRP: Comm. Jensen noted that the Secretary of Agriculture has announced that there will be another sign up for CRP this year for eligible counties under 25 percent tillable acres.

NCLUCB

1. AMC Executive Director: Comm. Swanson brought up the naming of a new executive director of AMC. He recommended an interim appointment acceptable to both rural and metro interests. Discussion ensued on attendance and participation in AMC and possible redesign of the organization as well as the number of candidates for office and election by their board of directors.

2. Meetings: The next two meetings will be held in Chisholm, May 6 and June 3.

Adjournment by the Chair at 12 p.m.

Next meeting: May 6, 2010, 9:30 a.m. IRR Classroom, Chisholm, MN

Respectfully submitted by Douglas Skrief, Administrator