

NORTHERN COUNTIES LAND USE COORDINATING BOARD
Thursday, November 1, 2012
Craig Engwall residence, Dora Lake, Minnesota

Call to Order: The meeting of the Northern Counties Land Use Coordinating Board was called to order at 10:12 a.m. by Acting Chair Todd Beckel with the following in attendance:

NCLUCB Member Counties Present:

Commissioner Brian Napstad, Aitkin County
Commissioner Fritz Sobanja, Cook County
Commissioner Rob Ecklund, Koochiching County, Chair
Commissioner Wade Pavleck, Koochiching County
Commissioner Rich Sve, Lake County
Commissioner Todd Beckel, Lake of the Woods County
Commissioner Don Jensen, Pennington County
Commissioner Oliver "Skip" Swanson, Pennington County
Commissioner Jack Swanson, Roseau County
Commissioner Steve Raukar, St. Louis County

Others Present:

Carol Pavleck, Koochiching County Resident
Craig Engwall, Northeast Regional Director, Department of Natural Resources
Bob Lessard, Department of Natural Resources
Jess Richards, Director Lands and Minerals, Department of Natural Resources
Douglas Skrief, NCLUCB Staff

(All actions of the Board were supported unanimously unless otherwise indicated.)

Administrative Actions

1. Discussion of the Agenda with the following additions:

- a. State: PILT (Comm. Sve)
- b. State: Rule Making (Comm. Napstad)
- c. State: Land Asset Management (Comm. J. Swanson)
- c. Local: Lutsen (Comm. Raukar)

2. Minutes of the September 6, 2012, Meeting

m. Sve s. D. Jensen

3-4. NCLUCB Financial Report and Bills:

Approval of the financial report and bills: The income and expenditures sheets reflected a general account balance of \$112,150.97 and a Land Use Conflict Management balance of \$15,005.28. The total accounts balance, after payment of approved expenses of \$630.55, was \$127,156.25 together with approval of bills of Administrative duties and expenses for Douglas Skrief \$735.37

m. Raukar s. J. Swanson

5. Correspondence – Correspondence to Dan Larson of MRCC was noted regarding NCLUCB resolution that current Parks and Trails Legacy splits are unfair to Greater Minnesota and cannot meet parks and trails planning needs and that an increase in Legacy funding to Greater Minnesota is requested.

ISSUES OF DISCUSSION

LOCAL

1. Molpus Forest Products Denying Access to Forest Roads – Dir. Engwall reported that at a recent MRCC meeting Senator Bakk and Representative Dill met to discuss issues surrounding Molpus Forest Partners – which recently purchased woodlands once belonging to Boise Paper and then Forest Capital - closing access to grant-in-aid snowmobile trails critical to the livelihood of local resorts. Molpus has agreed to keep the trails open through the Legislative session while seeking relief from a reduction in SFIA payments. Molpus, which now holds 135,000 acres in easement and about 150,000 other acres in northern Minnesota, is a timber investment management organization based in Mississippi. Comm. Pavleck reported hearing from numerous resorts concerned about their businesses. He suggested that Molpus might have hoped that counties would have complained to the state regarding the closures and payment reductions - from over \$2 million to \$100,000 maximum under the Pawlenty administration. In addition, Molpus is not agreeing to permits for Grant In Aid trails. Rerouting of trails would be difficult. To restore state funding in the current budget climate will not be easy, added Comm. Pavleck. Mr. Lessard recalled that Forest Capital was considering closure a few years ago but was promised that the Pawlenty administration and the Legislature was going to act for restoration. Comm. Pavleck noted that Molpus has agreed to keep open access from county and state land and, secondly, to wait to see results of the Legislative session. Comm. Beckel suggested including in discussion of easements the preservation of wetlands and potential wetland credits. Comm. Ecklund noted that discussion with Molpus staff revealed that snowmobile groups had not renewed use agreements with Forest Capital. A working group, he said, may be formed with interested parties. Molpus may consider restructuring of holdings to gain SFIA maximums and other benefits, but with holdings of 286, 000 acres with 135,000 with forest management access the issue remains complex.

2. Lutsen Water Pipeline – Comm. Sobanja explained that a pipeline is proposed to draw Lake Superior water to supply Lutsen with snowmaking capacity and perhaps drinking water. Current draws from the Poplar River have proven problematic due to water level fluctuations. The IRRRB has contributed to the project. Questions have arisen regarding the proposal, which may supply some municipal water needs. Supplies would stay in the watershed. Comm. Raukar noted that issues have arisen regarding diversion of water from the Great Lakes which are under federal jurisdiction. The DNR has been encouraging a Lake Superior alternative to taking from a designated trout stream that is prone to low water levels, noted Dir. Engwall. The cost is an issue in these small communities. Metering of drawn water was discussed along with state permitting when water levels are low. Use of water, a public resource, to support businesses was noted.

STATE

1. Land Asset Management – Comm. J. Swanson recounted that a land asset exchange process in Roseau County is proceeding; on November 9 the State of Minnesota is selling land. The County will, after the New Year, be selling land it acquired from the State. The exchange was initiated as a learning tool to educate counties and the State on the difficulties of the exchange process. A second exchange is now underway that has proven more effective as the State has agreed to sell an amount of land while the County agrees, in exchange, to give the State acres of a similar value. Approval of the Land Exchange Board – made up of the Governor, the State Auditor and the Attorney General – is needed. Dir. Richards added that there is a good deal of interest in the process, that the Governor is pleased with the model, and that staff is receiving calls of interest. Comm. Swanson added that one goal was to reduce State land holdings, but that this exchange process has not accomplished that though it has reduced public land holdings if not State holdings per se. Dir. Richards noted that the DNR is putting together a portfolio of potential land sales with a plan to have an ongoing process of identifying sale land. Push back comes from private landowners who now enjoy their immediate access to neighboring public land, Comm. Swanson explained. Pushback may also be generated within the DNR, added Dir. Engwall, where field staff is more used to looking at parcels from a natural resource rather than a land asset perspective. Classification of land, such as Trust lands, is also of issue. A current inventory of 64,000 Trust parcels is underway.

2. Executive Orders – Comm. Napstad made general observations, in part in light of training of new county commissioners by the Association of Minnesota Counties, about two Executive Orders, one regarding Review and Permitting and a second to do with Wetlands for which the Governor has asked agencies for recommendations for improvements in processes. The processes relate to rule making as dictated by legislative changes. The AMC teaches commissioners to work with legislators on the passage of legislation. Commissioners are not informed that the legislation has to go to agencies for interpretation, and that while sometimes it may be prescriptive and allow for expedited rule making, at other times it is less so.

A recent Environmental Quality Board meeting regarding ostensibly noncontroversial items turned out not to be when a public comment period attracted comments from an environmental attorney who by her presence made the point that changes are being tracked not just in the legislative negotiations and the signing by the Governor, but throughout the interpretive and rule making processes. AMC does not educate on the follow up of legislation and rule making.

Following discussion reviewed influences on the rule making process, degree of representation available from AMC, need for personal ongoing relationships with legislators and rule making bodies, need for particular expertise on issues that AMC may not be able to provide as well as the lack of county staff time to follow and influence rule making processes. The Board moved to seek a one-page Request For Proposal to be drafted by the Executive Director and reviewed by Comm. Napstad for a contracted representative of northern counties to follow, track, and report on the progress of developments regarding the Executive Orders under discussion.

m. J. Swanson s. Napstad

In further discussion, Comm. Napstad related that Dave Weirens is collecting information on wetlands to be distributed to the wetland committee of the BWSR Board. Comm. Beckel noted that a single author drafted the report. The final document will be reviewed by the BWSR Board December 12.

Opposition to the opening up of Shoreland Rules was raised by Comm. Beckel. Comm Pavleck noted the reluctance of local representatives to proceed. The issue is to be opened up perhaps due in part to pressure from environmental groups. There may be lack of funds in the DNR budget for the coming year to address the issue so the agency may be going to the Legislature to open the rules, suggested Comm. Napstad. He pointed to invasive species as a greater present emergency. The issue was discussed at AMC district meetings but creating a bill around the issue was problematic; it will be brought up at the joint meeting in St. Cloud. Mr. Lessard noted that the DNR and the Governor may be sympathetic to northern interests. The Board directed the Executive Director to draft a resolution, to be reviewed by Comm. Napstad, in opposition to opening up the Shoreland Rules and to instead concentrate on the emergency of invasive species, noting specific instances of invasives.

m. Pavleck s. Sobanja

3. PILT – Comm. Sve reported that the last meeting of the advisory committee on PILT had been held. The draft was somewhat disappointing with weak recommendations. Reinstatement of an inflation indicator was not included. Comm. Beckel offered to provide members a copy of the draft. Indications were that there was interest in keeping payments within the current \$25 million level. Senator Bakk had, noted Comm. Sve, encouraged asking for additional funding. It was noted that while the recommendation may not go anywhere, southern counties may have gained some greater understanding of northern issues.

4. Joint Meeting Agenda at AMC Conference – Comm. Beckel reported that an agenda includes DNR Land Asset Management, Invasive species, PILT, and Wetland issues.

5. Informational – Comm. Raukar noted two articles distributed with meeting materials regarding logging industry concerns and haze issues in Voyageurs National Park. He asked for support from other counties to further rules for intermediate timber auctions.

6. Power Lines – Comm J. Swanson reported on a proposal by the Minnesota Power Company to install a high voltage power line on the Minnesota-Canada border, down through the Iron Range to Hermantown. This would supply power to the Range and Duluth. A series of local meetings are being held. A meeting in Roseau was full. Local landowners were interested in one-time payments for easements. A small group was violently opposed to installation, noting distant beneficiaries. Construction would begin in 2017 for 2020 operation.

The Chair adjourned the meeting at 12:25.

Next meeting December 4, 2012, at the AMC Conference at River's Edge Convention Center in St. Cloud, MN

Submitted by Douglas Skrief