

NORTHERN COUNTIES LAND USE COORDINATING BOARD
Thursday, January 3, 2013
Chisholm, Minnesota

Call to Order: The meeting of the Northern Counties Land Use Coordinating Board was called to order at 9:40 a.m. by Chair Brian McBride with the following in attendance:

NCLUCB Member Counties Present:

Commissioner Brian Napstad, Aitkin County
Commissioner Fritz Sobanja, Cook County
Commissioner Brian McBride, Koochiching County, Chair
Commissioner Wade Pavleck, Koochiching County
Commissioner Rich Sve, Lake County
Commissioner Don Jensen, Pennington County
Commissioner Oliver "Skip" Swanson, Pennington County
Commissioner Jack Swanson, Roseau County
Commissioner Todd Miller, Roseau County
Commissioner Mike Forsman, St. Louis County
Commissioner Steve Raukar, St. Louis County

Others Present:

Commissioner Keith Nelson, St. Louis County
Carol Pavleck, Koochiching County Resident
Craig Engwall, Northeast Regional Director, Department of Natural Resources
Bob Lessard, Department of Natural Resources
Bob Krepps, St. Louis County
Douglas Skrief, NCLUCB Staff

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

Administrative Actions

1. Election of Officers: (All officers elected unanimously, after nomination, by a unanimous Ballot)
Chairman Nomination for McBride m. J. Swanson Unanimous Ballot m. Napstad s. J. Swanson
Vice Chair Nomination for Sve m. J. Swanson Unanimous Ballot m. Jensen s. Napstad
Treasurer Nomination for Raukar m. Napstad s. Pavleck Unanimous Ballot m. J. Swanson s. Jensen

2. Discussion and Approval of the Agenda with the following additions:

- a. Local: Announcement by Skrief
- b. Local: Comm. Nelson on Addressing the Permitting Process for Mining and other Activities
- c. Local: Lobbyist (Comm. Sve)
- d. Local: Potential Merger with Joint Powers Board (Comm. J. Swanson)
- e. State: State forests and Molpus Forest Management (Comm. McBride)
m. Napstad s. Sve

Announcement: Douglas Skrief announced with a letter distributed to members his intention to resign from the position of Executive Director and according to his original contract to provide two months notice with the offer to assist with a transition. The following discussion included potential merging of the positions of Executive Director and legislative monitor/lobbyist.

3. Minutes of the December 4, 2012, Meeting
m. D. Jensen s. Sve

Comm. Napstad recalled that during the AMC conference in St. Cloud a small contingent met with Rep. Nolan, and later Rep. Nolan attended the joint meeting of the Joint Powers and Northern Counties boards, representing half the geography of the state. While there, Rep. Nolan agreed to host a meeting.

Comm. Nelson responded that he is not as concerned with a united state view as he is in voicing the concern of St. Louis County. He added that he is looking for organization and relief by forcing the state and federal governments to talk before elected officials are taken out of the equation.

Comm. Swanson summed up the discussion as being 1) need for a volume of counties in a meeting with Rep. Nolan in Washington; 2) a united Minnesota response at the Federal level, as suggested by Comm. Napstad; and 3) a lobbyist discussion for Northern Counties. Dir. Engwall noted that Comm. Landwehr reports to the Governor who, in turn, has about fifteen commissioners who cannot argue publicly with each other. Comm. Napstad suggested that perhaps the request should be that Minnesota not be subjected to different authority than other states, but this would have to be signed off by the Governor.

Comm. Nelson said he was not interested in the state coming; he wants legislators to come and to hear about what is happening in the field. Comm. Raukar suggested that a meeting has a potential for making an initial impact and is a means to start a dialogue. This is an opportunity to utilize, with a seat at the table, what was learned in the land conflict management process – broad understanding of concern of local governments and how mutual constituents are being affected. He expected media attention. From a county perspective, funds made available to redirect to public works are attractive in leveraging state and federal funding.

Comm. Pavleck supported Comm. Napstad's point that the Northern Counties board is behind the curve on these issues. Conditions have deteriorated for 20 years. An example is Technical Evaluation Panels of the Corps that have kept the public out of meetings. Work should continue on the long process of bringing small project approval to the state level, while attention is being brought to the issues under discussion by bringing together business and local governments. NACo may present an opportunity for preparing the issue.

Comm. Swanson suggested that at the state level there would be broad county support; a meeting in Washington might not include many counties and may not reflect the nature of concern of most Minnesota counties. Comm. Nelson responded that he would ask the St. Louis County Environmental Specialist to testify as well as Land Commissioner Krepps. He wants to have an impactful statement of concern and then a follow up meeting in Minnesota including a state meeting with all counties and state legislators during session. A packet has been distributed from the Environmental Specialist to concerned parties, he said.

2. Merger of NCLUCB and Joint Powers Boards – Comm. J. Swanson reviewed that he has advocated for the merger of NCLUCB and the Consolidated Conservation Natural Resources Joint Powers Board, arguing that the more voices combined the louder the voice. Kittson and Marshall Counties have not been in favor. Comm. Napstad agreed, noting that common issues of discussion sometimes leads to repetition for members who are on both boards. The Con-Con board represents more western counties while NCLUCB represents counties more to the east. Recent signs of increasing profiles of the boards is reflected in an inquiry by a Crow Wing commissioner as to why that county is not involved with either board. Also, Rep. Nolan was impressed by the representation reflected by the joint meeting of the two boards in St. Cloud during the AMC conference. Merger, he argued, would provide more organizational strength. Travel is an issue. As are disparities in financial position.

Consensus from Northern Counties would be needed first, the Chair proposed. Comm. Forsman countered with the notion that having two voices to argue a point may be more effective when faced with being weighed against organizations that represent far fewer constituents. He suggested that perhaps after a merger a dozen divisions could be created and that a lobbyist is important. Mr. Lessard recalled that players are known by legislators and that more voices from different directions serve a purpose. Comm. Sve expressed concern that messages may get watered down and interchanges of a combined group may have to be extensive. Comm. McBride noted that the messages of both boards are likely to be similar, but that two voices are heard when there are two groups. Mahnomen, Marshall, Kittson, Beltrami and Clearwater belong to the Joint Powers board and not to NCLUCB. Comm. J. Swanson agreed that subcommittees within a larger group could provide multiple voices; NCLUCB can provide a greater voice than Joint Powers.

Comm. Pavleck recalled the inception of NCLUCB and that it originally worked on disparate geographic issues of tall grass prairies and Voyageurs National Park and wetlands; he agreed that a larger organization can be broken down into committees. The natural resources committee is going to need

funding. Meeting together may be more cost effective. Comm. Jensen suggested letting Beltrami, Marshall and Mahnomen know what NCLUCB is considering. Comm. Napstad noted current strengths, such as joint meetings at AMC. He suggested putting merger on the back burner while improving NCLUCB and to re-invite Itasca and Crow Wing to a meeting. Both boards are educational, he agreed, but messages must be sent and processes monitored, for example during rulemaking. Comm. Forsman added that many organizations are part of the rulemaking process and that organizational representatives move onto governmental positions. Comm. Sobanja recommended the book "In a Dark Wood," by Allston Chase, on the history of environmental groups.

Comm. J. Swanson moved that individual commissioners of Crow Wing, Becker, Itasca, Cass, Kittson and Polk be invited to an upcoming meeting of NCLUCB. He added that an RFP be issued for an executive director/lobbyist. Comm. Napstad recalled that former Commissioners Fink, Fenwick and Beckel may be interested in receiving an RFP. He suggested as well that a value statement be added to the invitation, for example stating that NCLUCB intends to take a major initiative on wetland issues this year and that their support is needed.

Moved on an invitation to counties to future meetings:

m. J. Swanson s. Forsman

Comm. Napstad added that the letter may include possibility of a merger or a means of forming a common agenda on areas of mutual concern. Comm. Jensen added that the invitation may mention possible hiring of a lobbyist. This will not be sent to Joint Powers board members.

Comm. Napstad moved that an RFP be issued to members and to individuals mentioned above. Discussion revealed consensus that the document include mention of both the executive directorship and legislative and rule-making monitoring under the direction of the board.

m. Napstad s. Sobanja

3. Meeting in St. Cloud during the AMC Conference – Review Comm. Sve noted that AMC's Annalee Garletz was asked if AMC was to have a presence at NCLUCB. It was recalled by Comm. Jensen that NCLUCB was formed to address issues not addressed by AMC and Comm. Pavleck added that it is not expected that AMC would provide a presence.

4. PILT – A final product of the state PILT advisory committee has been issued, related Comm. Sve, and will be in the hands of legislators shortly.

5. Wetland – Comm. Napstad related that the BWSR Wetland Committee had met and that a report has gone to the Governor without substantive change. The document is controversial. NLUCB members supported the document. Others feel that it backs away from wetland protections. The resolution was in anticipation of the Governor's support of the report. Changes include simplification of county delineations. More complex recommendations included sitting down with the Corps to establish state prerogatives on projects up to a certain size. A hanging point was on the reporting of exemptions, noted Comm. Pavleck. The reporting of exemptions will be handled in committee. There tends to be movement towards the reporting of exemptions during the rulemaking process.

6. Invasive Species – Dir. Engwall reported that the budget for addressing invasive species is currently at \$6 million but will depend on results of the legislative session. Foresters are interested in terrestrial species, while available funding is tending toward addressing aquatic species. Comm. McBride brought up portable fish house licensing as a potential revenue source to fight invasives. Comm. Napstad added that another aspect of the issue, to be addressed at AMC as well, is that Shoreland Rules should not be opened for revision until the issue of invasives is better addressed. Comm. Sve recalled that AMC had separated the issues of Shoreland Rules and invasive species.

Comm. Pavleck raised the issue of the DNR recently requesting rulemaking authority. Sen. Bakk and Rep. Dill are aware of the issue. He contended that the DNR wants buffer zones that infringe on private property rights. He recommended a letter to all local legislators asking that, before the DNR is granted rulemaking authority, that counties be given advance knowledge and come to agreement on any extension of rule making authority.

m. Pavleck s. J. Swanson

Comm. Napstad recalled that after discussion with parties in opposition, it was held that counties, which have to enforce the rules, be allowed into the discussion on what will be reopened. Comm. Sve related that, under the category of Land Management, it was held by AMC that it opposes opening of

Shoreland Rules until the DNR and the local governments responsible for implementing the Rules agree to the scope of potential Rules changes.

Comm. Pavleck asked if there were a potential for a meeting with DNR Comm. Landwehr on the issue. Dir. Engwall offered to arrange a meeting. Comm. McBride offered that commissioners would travel to St. Paul to meet. The meeting would address the proposed scope of rule making authority. Comm. Forsman reiterated that counties will be involved in the enforcement of the rules and that groups opposing the limitation of that rulemaking authority are themselves already involved in the rulemaking process.

7. Forest Acreage Caps – Comm. McBride informed the board that Rep. Dill had recently asked the Koochiching County Auditor about the cap at which companies can classify acres under Class II-C. The designation allows a company or individual to class acres of forested land at a tax rate of .65 percent rather than 1 percent. The current cap is 1900 acres. Last autumn, Molpus Forest Management, with 300,000 acres, 100,000 of which is not in easement or other agreement, closed access to its land. Closure, noted Comm. McBride, would have a significant impact on industry and recreation in Koochiching and St. Louis Counties in particular. Should Molpus holdings be converted to Class II-C, Koochiching taxpayers would be forced to assume a significant portion of lost revenue on lands that had been promised to all residents of Minnesota. The whole state should rather be involved in assuming the burden, argued Comm. McBride. KSTP Television is planning to do a report on the issue. Comm. Pavleck added that with the previous reduction in SFIA payments and a proposed change in tax status, Koochiching County's burden would increase by \$100,000. Dir. Engwall noted that the DNR has met with Molpus' Minnesota land managers; Molpus, with its base in Mississippi, has little ties to northern counties. Options are being considered, such as moving to all easements or small conservation easements. Molpus would like SFIA back. Changing to Class II-C would not make up for the SFIA losses. Molpus may be more aggressive in getting assessed values reduced. Comm. Pavleck noted that last autumn Molpus frightened resort owners and snowmobile groups in Koochiching and St. Louis Counties with its threats of closure of access. Comm. Napstad recommended that tax capacity examples be provided to the media, giving two scenarios, suggesting, for example, the impact a change in class would have on a \$150,000 home.

NCLUCB

1. Meeting Schedule – A suggested 2013 meeting schedule was distributed.
2. ITV – Comm. J. Swanson raised the issue of meeting by ITV – to be discussed at a future meeting.
3. Thank you – Thanks were extended to Comm. Nelson for his presentation.

The meeting was adjourned at 11:50
m. Napstad s. Sve

Next meeting February 7, 2013, at 9:30 a.m. at the KOOTASCA Senior Center in Northome, MN

Submitted by Douglas Skrief