

Northern Counties Land Use Coordinating Board

Sept. 3, 2014

Alexandria, MN (conjunction with AMC policy conference)

Board Meeting Minutes

Call to Order: The meeting was called to order by Chairman Rich Sve at 9:30 a.m.

NCLUCB members present: Rich Sve, Todd Miller, Brian Napstad, Mike Forsman, Skip Swanson, Don Jensen, Jack Swanson, Wade Pavleck, Wayne Skoe, Anne Marcotte, Garry Gamble.

Others present: Peter Walsh, Lake County, John Chell, secretary.

Administrative Actions:

1. Additions to the agenda: No net gain – Commissioner Swanson, Pipeline issue- Commissioner Napstad. Agenda approval: m-Napstad, s-Miller
2. Action on Minutes of August 7, 2014: m-Pavleck, s-Jensen
3. Financial Report : General Fund \$124,503.29; July/August Prof Services and Expenses: \$ 859.60

Approved: m-Forsman, s-Napstad.

No Net Gain : Jack Swanson: We should, as county commissioners, be very concerned about the absence of a no net gain land acquisition policies by the state of Minnesota. This will be addressed by the AMC Natural Resource Policy Committee. Sve indicated that Lake County passed a no net gain resolution and it worked well for a DNR acquisition last year. Along with purchasing 50 acres of Lake Superior shore land, they did sell an equivalent amount of land. But No Net Loss is discretionary. Swanson suggested that this policy should be statewide. Forsman noted that the policy hadn't been particularly successful in St. Louis County: over the last 20 years, public ownership in St. Louis County has increased from 59% to 63%. Napstad stated that 'no net loss' is not accurate description since a net property tax loss is often the result. The issue is loss of tax base, not necessarily loss of acreage. Veto authority over acquisition is o.k., but we would be better off with Tax Capacity protection. Swanson agreed citing an in lieu payment of \$5 per acre for acquired land while the private property tax revenue is \$8. Gamble cited the statewide variation in land values as inconsistent with a statewide in lieu payment. Pavleck noted that Koochiching County has been discussing this issue for 30 years, and Jensen stated that public land is now over 25% of statewide land ownership and asked: "why would you want more?" Forsman agreed citing the Vermilion State Park acquisition: "we seem to forget that in addition to the huge loss of private tax revenues lost with that purchase of U.S. Steel land, it's public tax dollars making the in lieu payments.

BWSR David Weirens Discussion on WCA legislation

Weirens opened his presentation with the comment that any legislative changes must be consistent with the Corps of Engineers policies and federal law. Mr. Weirens distributed two handouts regarding the WCA legislation process: *List of Recommendation (July 23, 2014)* and *Development of Detailed Recommendations for Legislative Consideration in 2015 (August 4, 2014)*. Copies Attached to minutes.

After the initial presentation and review of the above cited documents, questions and discussions with NCLUCB members took place:

Napstad: Rep. Dill indicated five groups are opposed to legislative changes, but most legislators agreed that WCA is broken. The question also involves implementation vs. conceptual or policy issues. How do we make it work? BWSR has limited resources with which to develop this consensus legislation.

Marcotte: Can we afford to wait until January for draft legislation?

Weirens: the Drainage Team worked continuously and the Wetland Team should follow that example. But getting 30 distinct organizations to work together is very difficult. We have no full time staff commitment to this effort.

Swanson: if you have to do mitigation, who cares if it is in the same watershed or not?

Weirens: the Feds are ridged about keeping mitigation in the same watershed.

Napstad: What will be the outcome of this process...what is the ultimate product?

Weirens: We will have detailed language and how its going to operate.

Napstad: we will certainly be disappointed if the final language is only regarding de minimus, without significant changes we will have missed a real opportunity.

Sve: if only de minimus, we will have nothing to implement immediately and we may have to do our own legislation draft.

Gamble: process is critical, we need to be well informed with specific and clearly defined language and it will be important for us to know that is the end goal.

Forsman: My frustration is that nobody wants to look at the big picture...All of Minnesota. Look at where the wetlands have been drained..Don't focus on the watershed, focus on where wetlands are needed. De minimus is not the big picture...this process is just rearranging the deck chairs.

Pavleck: How does this wetland process play into Waters of the U.S. regulation? The impact on our logging industry could be really significant.

Weirens: BWSR is working on submitting comments, but the state already has stronger statutes and regulations than EPA.

Gamble: that's a major assumption that the state is more comprehensive.

Napstad: we have until February and we don't have language. For example, in lieu payments is a new concept for Minnesota..who handles the fees, what is the fee schedule. We can't wait until the Session to figure this stuff out. We have our own list: in lieu, sequencing, de minimus, \$ for clean water mitigation alternatives, and connecting mitigation sites into some form of watershed planning.

Gamble: if the state is behind one watershed/one plan, then we can be more effective in identifying legitimate mitigation projects. We have a general outline of what we want and we should sketch out our plan.

Pavleck: I propose a motion to form a subcommittee to develop our own language.

Napstad: its not moving fast enough. The committee could bring forward our own language and work with Tomassoni, Erickson, and Dill. We are frustrated that this effort has turned into a consensus building process and we should put the commissioners on notice expressing our frustration.

Sve: the AMC process will not be up to speed by February. We need a Northern Minnesota option for this legislation.

Gamble: we stated in the minutes from our last meeting that we should wait for language, but now we must move forward. We're not usurping the process, there is simply not enough time to wait for all these interest groups to develop consensus.

Miller: I agree with this discussion..Rep. Erickson will work with us on in lieu and de minimus.

Marcotte: we have funds to support this effort.

Pavleck motion and Gamble second: NCLUCB subcommittee to write a letter to relevant state agency heads expressing our frustration with the existing process. Secondly, subcommittee to develop a proposed strategy for priority elements in a draft bill, and how to develop support.

Discussion:

Miller: we need to ensure that commissioners and legislators understand the need for protection against tax forfeiture of wetland banks.

Gamble: my position has certainly changed..we need to move forward independently from the state agency process.

Anne: the subcommittee needs to give us some ideas for language and process..

Voting was unanimous: Subcommittee members are: Napstad, Sve, Miller Pavleck and Gamble.

Weirens: BWSR will be holding a meeting on Sept. 25 with the various interest groups to pare down the recommendations.

Napstad: (to Weirens) how will you react to a proposed letter from NCLUCB? What will you do?

Weirens: I will meet with and report to the other groups and our staff about the comments I have heard here today. Counties are important members and we will respond to you. The NCLUCB process is not inconsistent with what the state is doing.

Napstad: we'll go with Erickson's bill and Dill's comments.

Miller: is there a consensus within the environmental groups?

Weirens: the environmental groups are not interested in changes. They will resist both in-lieu and cross watershed mitigation.

One Watershed/One Plan update

Commissioner Gamble stated that the Cook/Lake meetings were getting started and a board is established.

Roundtable (brief due to other meetings at AMC conference)

Sandpiper Pipeline: Commissioner Napstad stated that the proposed route runs through Aitkin County. There are many groups aligned against the route: Tribes, Lake Associations, etc. County Administrator analysis for Aitkin County underlines the tax impact of the pipeline. Tax capacity has dropped from \$3.2 billion to \$2.7 billion since 2008. The pipeline will increase capacity back to \$3.1 billion. While there are risks associated with a pipeline, the risks associated with rail hauling is much greater.

Waters of the U.S. Legislation in both houses of Congress will attempt to prevent an administrative mandate to define Waters of the U.S. consistent with the EPA definition.

Adjourn: 10:05 a.m.

Presentation and Discussion of Wetland Conservation Act Legislation and Process: Dave Weirens, BWSR