

Northern Counties Land Use Coordinating Board
Senior Center, Northome< MN
January 7, 2016
Minutes

Call to Order: The meeting was called to order by Chairman Rich Sve at 9:40 a.m

NCLUCB members present: Neil Peterson, Rich Sve, Steve Raukar, Anne Marcotte, Brian Napstad, Wayne Skoe, Todd Miller, Buck Nordlof, Don Jensen, Garry Gamble

Other Participants: Aaron VandeLinde, School Trust Lands Director; Greg Nelson, DNR; Bob Lessard, DNR; John Chell, NCLUCB secretary, Representative Dan Fabian

Administrative Actions:

Election of Officers for 2016. Commissioner Skoe moved to nominate the previous year's officers for another term of office and Commissioner Marcotte seconded the motion. A unanimous vote of members present elected: Sve-Chair, Miller-Vice Chair, and Raukar-Treasurer.

Additions to the agenda: Miller-Sulfate Rule, Napstad-State Agency Employee issue neutrality.

Action on the minutes of Dec.8, 2015. M-Raukar, S-Gamble, approved.

Financial Report:

Year End General Fund Balance:	\$ 126,910.22
Year End Revenue	\$ 17,000.00
Year End Expenditures	\$ 9,916.37

Accounts Payable:

Association of MN Counties	\$ 223.40
J. Chell Prof Services	\$ 994.11

M-Raukar, S-Marcotte-Passed.

Marcotte moved and Miller seconded the purchase of a laser printer for NCLUCB business not to exceed \$150. Passed.

2016 NCLUCB Due: After a discussion to set 2016 dues and the recommendation that the dues letter be sent out in August to ensure inclusion in the county budget development process, Jensen moved and Gamble seconded to maintain the existing dues for 2016. Passed.

Presentation: Aaron VanVandeLinde, School Trust Lands Director

(Powerpoint attached at the end of the minutes.)

Discussion: Mr. VandeLinde opened his remarks by noting that he is frequently in contact with county land commissioners. Since 90% of the remaining School Trust lands reside within 10 counties, he is discussing issues such as sustainable revenue sources in conjunction with the land commissioners. Also discussing the issue of land sales vs. long term management strategies with them. Gamble asked what is the return on investment for selling trust lands vs. holding for long term management. Aaron suggested that there is not an easy answer to the question: 80% of corpus of the School Trust is derived from mineral development activity. Forestry, on the other hand, is a high cost-low profit enterprise for Trust Lands. You could argue that selling all forest lands and retaining mineral potential lands could maximize revenues to the Trust. But we don't know where mineral development might occur such as the new interest in Aitkin and Carlton Counties. And while the property taxes and potential employment related economic development associated with selling forest lands into the private market may be periodically attractive, it is access to these public forest management blocks that is also attractive to the forest products industry. Private sales may tie up and reduce both access and productivity to these lands.

Napstad inquired about private leasing of larger tracts of Trust Lands. Aaron suggested that there may be a growing interest in lease revenues for commercial recreational developments, but there isn't much support for these kinds of proposals within the Dept. of Natural Resources.

Skoe stated that from a Koochiching County perspective, property taxes derived from the sale of tax forfeit and School Trust lands into private hands may be more important. Aaron stated that he has heard that perception frequently, but his statutory mandate is to maximize revenues to the School Trust. He will be developing a long term strategy and plan for the state. That report will examine these alternatives. One example: should state forest management continue to pursue third party certification? Is there really a value-added proposition to maintaining certification? The Dept. of Administration, Division of Management Analysis is examining this issue currently.

VandeLinde stated that the BWCA exchange is focused on integrating surface and mineral rights for Trust lands outside the BWCA. The state is identifying lands that will become Trust parcels in the wilderness periphery that have a high potential for mining related developments as well as consolidated surface and mineral interests.

Commissioner's Roundtable:

Representative Fabian has stated that the Sulfate Rule did not generate significant regulatory interest until the Polymet project emerged. This is a difficult issue in the Red

River Valley where most sulfate is not a point source, but is an agriculture related non-point source problem. However, cities such as Morehead, East Grand Forks, and Breckenridge could face huge costs to comply with the standard while communities and non-point sources on the North Dakota side of the river remain unregulated. Miller anticipates that Rep. Fabian and other legislative leaders will be addressing this issue during the upcoming 2016 session.

Commissioner Napstad cited a recent news article regarding reports that a MPCA employee sent emails of support for the position held by an environmental advocacy group during an ongoing regulatory dispute and suggested his active involvement in the dispute would favor their position. Several commissioners voiced their concern regarding employees using their regulatory positions to advocate for a third party. Commissioner Gamble noted that it is difficult to promote the rule of law and the regulations based on that principle when folks empowered with carrying out these regulatory responsibilities are not objective. There needs to be accountability for these situations.

Commissioner Miller also noted that Rep. Fabian stated that legislative intent was clearly to not include private ditches in the buffer legislation passed last session. Miller expected clarification to emerge from a series of meetings between legislative leaders, the Governor's Office and BWSR this month.

NCLUCB Commissioners were notified of two upcoming meetings/presentations :
January 20: DNR buffer mapping webinar
February 3: BWSR wetland stakeholder meeting on the implementation of WCA amendments.

Meeting adjourned at 12:30.