

NORTHERN COUNTIES LAND USE COORDINATION BOARD

Minutes

Thursday, December 3, 2009

KOOTASCA Senior Center, Northome, Minnesota

Call to Order: The meeting was called to order at 9:48 a.m. by Chairman Fink (who arrived late due to snowstorm) with the following in attendance. (All actions of the board were supported unanimously unless otherwise indicated.)

Member Counties Present:

Commissioner Brian Napstad, Aitkin
Commissioner Jim Johnson, Cook
Commissioner Chuck Lepper, Koochiching
Commissioner Todd Beckel, Lake of the Woods
Commissioner Rich Sve, Lake
Commissioner Oliver "Skip" Swanson, Pennington
Commissioner Jack Swanson, Roseau
Commissioner Dennis Fink, St. Louis
Commissioner Steve Raukar, St. Louis

Others Present:

Craig Engwall, Department of Natural Resources
Jim Tieberg, Polymet Mining

Administrative Actions

1. Approval of the agenda with the following additions:

- 1) Correspondence: MICA outlines state budget forecast
- 2) Correspondence: Bayfield County, WI November timber sale prices
- 3) Local: AMC PILT recommendation ready for December conference
- 4) Local: New appointment to Lessard-Sams Outdoor Heritage Council
- 5) Local: Douglas Skrief new Executive Director Koochiching Aging Options
- 6) State: 800 MHZ radio system usage by land departments
- 7) State: Heart of the Continent update
- 8) State: Parks and Trails Legacy Plan review
- 9) State: DNR to combine departments
- 10) Federal: Don Parmeter request
m. Beckel s. Johnson

2. Approval of Minutes: November 5, 2009 meeting

m. Napstad s. Raukar

3-4. Financial Report and Bills:

Commissioner Raukar the organizations Treasurer distributed a report reflecting a general account balance of \$15, 005.28. Total account balance after payment of approved expenses: \$96,428.14.

The Executive Director submitted an invoice for \$665.90 for one month of professional services and expense reimbursements. Treasurer's Report:

m. Raukar s. Beckel

Bills:

m. Raukar s. Johnson

Correspondence:

1. The state budget released in early December 2009 showed a deficit of \$1.203 billion for the current biennium from July 1, 2011 to June 30, 2013 estimates that the future deficit has increased from \$4.431 billion to \$5.426 billion. As in the past, these figures do not include inflation which could add another \$1.179 billion to the deficit. The size of the deficit all but guarantees that county program aid will

be cut further from the level already occurring under the existing un-allotments. The board discussed the current forecast in light of federal spending policies as well as counties' most recent budgets. The potential loss of the remaining county program aid will likely require real and significant structural changes. Counties have seen little new revenue except for property tax increase in recent years. Instead, counties have experienced sharp increases in costs due to state policies that shifted its expenditures to counties. There was a general consensus that county boards were not willing to backfill these shifts by increasing property taxes. The general theme around the table was that in the future, counties will be required to do less with fewer resources.

2. Chair Fink distributed the November 4, 2009, results of the Bayfield County, WI Forestry Department's timber sales. Sappi was the dominant purchaser at this sale. They were willing to pay on average \$37.25/cord for aspen at this sale. They left as much as \$7.00/cord on the table and on average \$3.50/cord. The results indicated an increase in the demand for wood. Prices reflected that increase. The sale included 1,905 acres with the total value for the 31,619 cords of approximately \$1.41 million.

Discussion Issues

LOCAL

1. Wetland Banking Moratorium Ordinance – Commissioner Napstad presented the board with a copy of Aitkin County's completed ordinance for reference. He again provided a brief overview of the events leading to the development of the ordinance and the challenges Aitkin County faced. For complete details please review NCLUCB minutes for October 1, 2009, item 5 under Local. The item was also discussed in minutes prior to October. (Ordinance Attached)

2. Polymet Environmental Impact Study (EIS) – Chair Fink reported that he had been contacted by BARR Engineering who requested that this board review and comment on the draft EIS. In support of that review, Jim Tieberg, Polymet Mining was in attendance. Mr. Tieberg provided written documents, gave a thirty minute presentation and answered questions, as well as participated in the discussion that followed. Polymet appears to be an important economic development project in mining for northeastern Minnesota. Mr. Tieberg stated that Polymet management was equally aware of the need for mining to be done in an environmentally sound manner. He went into great detail describing the proposed project including the open pit mining operations, waste rock, lean ore and deferred ore stockpiles. Stockpiles will be segregated into reactive and non-reactive stockpiles. Non-reactive stockpile would be constructed and managed in a manner similar to those associated with taconite mining. These would be designed and built to prevent sedimentation and erosion from storm water runoff and provide beneficial use of the areas. Reactive stockpiles are being placed on engineered liner systems that capture any runoff and direct the runoff to a wastewater treatment system. Much discussion follows this part of the presentation. Commissioner Raukar quoting from documents provided by Elanne Palcich and Brad Sagen asked how will Polymet prevent the release of sulfuric acid and other metals during the processing and in waste which can then leach into wetlands and ground water in toxic concentrations?

Mr. Tieberg spoke at length about the concentration of minerals contained in the core samples including the extremely small amounts of sulfur compared to other domestic deposits. He went into detail on how the lines work and the added protection included in the project to insure protection of wetlands and ground water long after the 20-year life of the project. Mr. Tieberg led the board through the 45-page executive summary of the draft EIS while responding to questions from other commissioners as well.

Commissioner Raukar moved that NCLUCB send a letter of support before the close of the public comment period on February 3, 2010. That a draft of that letter be available for review by the board at its January 2010 meeting.

m. Raukar s. Swanson

The board debated its position. The following items should be included in our support:

- a) There are economic benefits to the region
- b) The region's economy is dependent on its natural resource and throughout the years we have developed best practices that support social and environmental concerns along with the economic benefits.
- c) The U.S. and Minnesota has strong well defined environmental protections in place and agencies trained to ensure these protections. NCLUCB relies on these agencies and the permitting process they have established.

d) Enforcement of permit requirement is essential. Third party verification would add a measure of confidence looking in the EIS.

3. ATV Ordinances – Chair Fink thanked all the counties for responding to the board’s request to review any ATV ordinances in place. He also distributed the Roseau County ordinance provided by Commissioner Swanson. (attached)

4. AMC PILT Recommendations – At the last AMC Policy Committee meetings in September 2009, the Environmental and Natural Resource Committee Chair, Ramsey County Commissioner Reinhart requested that the committee take a position on Representative David Dill’s proposed legislation to provide an upfront payment to counties in lieu of taxes when land was privately purchased using funds generated by 3/8 of 1% sales tax, also known as The Lessard Outdoor Heritage Fund. To achieve this goal a task force was to come together before the annual conference in December. That task force met in late November. NCLUCB which represents nearly all of the “50% or more publicly owned counties” was well represented on the committee. Commissioners Beckel and Fink were in attendance and Commissioner Napstad also had input. Commissioner Beckel pointed out that payments for specialty purchases should not be discussed without first protecting the existing PILT payments. If the state cannot afford to pay for what it owns now we should not even be discussing new purchases from any funding source.

AMC would have none of this expanded discussion, limiting its conversation to the supposition that someone including Representative Dill would reintroduce his bill. NCLUCB is in agreement that such an effort would not be a desired action. But if the bill were introduced, then the AMC position should be:

- 1) That an irrevocable trust should be established within the county where the land is purchased and that a lump sum should be deposited representing a one-time forever payment to cover the loss of tax revenue
- 2) Counties should have the right to approve or disapprove the sale
- 3) Criteria should be established with emphasis being placed on need for public land with the county for public use

Members of the task force encouraged its members who are Environmental and Natural Resource Policy Committee members to support this position.

5. New Appointment to Lessard-Sams Outdoor Heritage Council – Craig Engwall, DNR announced that the open seat on the Lessard-Sams Outdoor Heritage Council had been filled. The governor’s appointment was Ryan Bronson, Egan, MN. Mr. Engwall pointed out that Mr. Bronson formerly lived in northern Minnesota and was a friend of Mark Holstein, DNR Commissioner. A discussion ensued with a recommendation that a letter be sent to the Governor copying the three groups formed as a result of the passage of 3/8 of 1% constitutional amendment stating NCLUCB’s continued disappointment in not adding someone north of the Twin Cities suburbs. Members did caution that letter be reasonably soft.

m. Johnson s. Swanson

6. Congratulations are in order to Douglas Skrief on his appointment to Executive Director of Koochiching Aging Options, a new nonprofit serving older residents of Koochiching County.

STATE

1. 800 MHZ Radio Communications – Much has been written on the success of the ARMER system during the bridge crisis in Minneapolis. The public safety agencies report their ability to coordinate activities between agencies had direct relationship to a successful rescue. But now that a push is being made to cover the state, questions remain. On December 1, 2009, St. Louis County passed a resolution to participate in the cost/benefit analysis but stop short of unconditional sign-on to the project. Commissioner Fink said the hesitation centered on cost and technological concerns. He asked if the DNR was planning to move to 800 MHZ, noting that the forest service said the previous day they had no such plans. The St. Louis County Public Works has also noted they were not ready. Other Commissioners said their counties were also concerned about state and federal land managers unprepared to move to 800 MHZ.

2. Heart of the Continent Partnership (HOCP) – Chair Fink passed out a paper published by HOCP titled “Strengthening Communities that Neighbor Public Lands”. The paper identifies working with the conservation fund of Shepherdstown, WV who have adopted the NP’s Gateway Communities concept into “Balancing Nature and Commerce in Communities that Neighbor Public Lands” training program. The plan calls for sending 4 to 8 people to West Virginia for 4 days in late January 2010 to train, then

developing a local design team of 15 to develop a plan. The concept grew out of the successful “Centennial Canoe Voyage” the paper said.

3. Parks and Trails Legacy Plan – MN Constitution, Article XI, Section 15 provides funds for a 10-year strategic coordination plan and a 25-year-long range plan that is now underway, according to Craig Engwall, DNR. The Park and Trail Legacy Plan was distributed to NCLUCB members for review. The document was information-only at this time.

4. DNR to combine departments – Craig Engwall, outlined the public process that the DNR had embarked on to combine the DNR Waters and Ecological Resources Departments into one. Commissioner Fink passed out the handouts he received during a stakeholders’ comment session he attended by invitation. The merits of the move as defined in the handouts were discussed. Commissioner Fink commented that the results would create a department that will focus on watershed management concepts, principles and research.

FEDERAL

1. Clean Water Restoration Act – Nothing new to report. Commissioner Fink said there has been little activity since the October public hearing Congressman Oberstar convened. Those testifying were by invitation only.

2. pp - Commissioner Fink announced that Don Parmeter has requested time on the NCLUCB agenda at the February 2010 meeting. Mr. Parmeter was one of the original founders of NCLUCB.

Motion to Adjourn

m. Raukar s. Napstad

Meeting adjourned