

**NORTHERN COUNTIES LAND USE COORDINATING BOARD**  
**Minutes**  
**Thursday, November 5, 2009**  
**Iron Range Resource Reclamation Classroom, Chisholm, Minnesota**

Call to Order: The meeting was called to order at 9:35 a.m. by Vice Chairman Napstad with the following in attendance. (All actions of the Board were supported unanimously unless otherwise indicated.)

All Member Counties Present:

Commissioner Brian Napstad, Aitkin  
Commissioner Jim Johnson, Cook  
Commissioner Wade Pavleck, Koochiching  
Commissioner Rich Sve, Lake  
Commissioner Todd Beckel, Lake of the Woods  
Commissioner Dennis Fink, St. Louis  
Commissioner Steve Raukar, St. Louis

Others Present:

Elanne Palcich, Chisholm resident  
Bob Tammen, Soudan resident  
Pat Tammen, Soudan resident  
Douglas Skrief, NCLUCB Staff

Administrative Actions

1. Approval of the agenda with the following additions:

- 1) Cap and Trade (federal) - Fink
- 2) Coast Guard (federal) – Johnson
- 3) National Park Documentary purchase - Raukar  
m. Raukar s. Napstad

2. Approval of Minutes: August 6, 2009 meeting

m. Raukar s. Beckel

3-4. Financial Report and Bills:

Treasurer Raukar moved to accept a reported general account balance of \$83,628.31 and a Land Use Conflict Management balance of \$15,005.28. Total accounts balance, after payment of approved expenses: \$98,633.59.

m. Raukar s. Napstad

The Executive Director submitted an invoice for \$688.60 for one month of professional services and expense reimbursement.

m. Beckel s. Napstad

Correspondence

1. The Director reported that an invitation was sent similar to Comm. Fink's September invitation to State Senator Satveer Chaudhary – with copies to members of the Senate Environment and Natural Resources Committee. – to visit NCLUCB and learn about issues facing members. The Chair mentioned that the senator owns property on Fish Lake in St. Louis County.

Discussion Issues

LOCAL

1. Aitkin County Moratorium on Wetland Banking: Comm. Napstad reviewed events leading up to a decision by the Aitkin County Board to suspend wetland banking for one year. In that county, of 13,000 acres potentially available for banking purposes, 1,859 acres have been approved or are being banked. There are 2,412 acres proposed for banking or under review. And there are inquiries on 9, 376 acres.

DRAFT

Inquiries have been tied to the recent purchase by U.S. Steel of 4,755 acres for \$8.5 million. Banking in Aitkin, the commissioner noted, could lead to the turning of productive lands into non-taxable properties. While mitigation is in concept a positive, from a commissioner's standpoint it may be seen as a negative as otherwise taxable lands are locked up in perpetuity and ongoing costs of the county are shifted to taxpayers.

A moratorium was proposed by staff after Points North asked for Exceptional Natural Resource Value (ENRV) credits on 427 acres abutting the Mississippi River. The local Technical Evaluation Panel (TEP) found 138 acres credit-worthy. A profit motive exists in that a \$500 per acre investment can result in \$12,000 per acre worth of wetland credit. An appeal of the TEP decision was supported by the county. Now the Board of Water and Soil Resources' Dispute Resolution Committee will hear the issue – of which Comm Napstad may become a member, if an opinion of the Attorney General concurs that more than the current five members are allowed.

The Aitkin County staff decided a moratorium was in order so as to have time to define ENRV as specific to the county, holding that the definition will change county to county due to different conditions in each. The county board meeting on the issue was attended by attorneys from Polymet, Kennecott and US Steel as well as representatives of the DNR's Lands and Minerals Department. Discussion ensued on statute 8420 and its bearing on local unit of government authority on mining decisions, which typically devolves to the DNR. A conference call, suggested by BWSR Exec. Dir. John Jaschke, included representatives of the TEP, the County Board, BWSR and the Attorney General's office to seek an answer to the 8420 issue. The county holds Polymet's is an active application to be held exempt as a site-specific wetland restoration. US Steel's property, on the other hand, was purchased for potential mitigation in the next few decades. The Attorney General's office asked about exemptions while offering no advice or opinions. Aitkin County argued it is a small county that can't go to court over every appealed project. Annual WCA reimbursements will be used up over a single issue. A resolution, to last one year, made by the county was targeted specifically towards ENRV claims. Non-ENRV applications will be examined. Furthermore, mining projects covered under 8420 will be exempt, with the DNR acting as the LGU. Justification will have to be presented for one-for-one credit.

The Chair suggested that each county may want to gather supporting materials, adding the issue is greater than the one item and that getting one-for-one credits in ENRV cases consumes less land than other proportional credits. He pointed again to the issue of significant county resources needed to defend county actions. Further discussion regarded usefulness of land purchased but not entirely devoted to credits, such as would occur with flooding a whole property, and how long-term use must be considered. Expectations of accessibility by hunters is a consideration. Potential of tax forfeiture, suggested Comm. Beckel, will be lessened by Lessard-Sams Outdoor Heritage Council purchase of vulnerable lands; he added mining interests will not walk away from investments that can be written off as expenses. Available land now lies in Aitken, Cook and Lake of the Woods Counties, according to the Northeast Minnesota Wetland Banking Strategy, a fact not lost by mining concerns.

2. Polymet (Hoyt Lakes) Environmental Impact Statement Draft Released – The Director noted a handout announcing the availability of the draft statement at the DNR website and the beginning of the comment period as of November 2, 2009. The Chair encouraged comment and self-identification as a representative as an elected official of a significant number of people. Some commissioners have toured the site. Comm. Napstad also visited the Kennecott Mine in Wisconsin, which is held as an example of older technology. Extraction methods have improved, noted the Chair. Comm. Raukar noted that Polymet, being very invested in the project, has been leading a very aggressive public relations effort and that the review is one of the most comprehensive in the world. A new process is being proposed to respond to serious negative outcomes of historic mining activity. Long-term financial assurances for maintenance of a safe environment have been part of the process, unlike past abandonment of sites. As world demand for resources grows the project becomes economically feasible and jobs will be created.

Guest Elanne Palcich made three points: 1) Polymet claims this will be the first nonpolluting mine in the world; 2) the plant is on the former LTV site but the mining will be done on forested land, and the tailings basin is already leaching manganese and arsenic, to which Polymet tailings will be added; 3) the company is Canadian owned and will meet demands of China and India, not necessarily helping United States interests. She suggested letting another site be the first test case and waiting till this nation needs the resource.

The Chair outlined pressures, as an example, on the titanium market by foreign interests such as Russia, which influences value on a regular basis. The U.S. considers this a strategic metal; shortages can lead to changes in the balance of international power. World trade is needed to support the expense of the Iron Range ore production, a relatively expensive process dependent on low-grade ore.

3. ATV Ordinances from Member Counties – Sample ordinances from Koochiching and Cook Counties were distributed. The Chair recounted that St. Louis County has decided against issuing an ordinance because of school trust land issues as well the land acquired by the DNR for stream and other buffers. The Chair and St. Louis County Comm. Dahlberg will be meeting in regards to the numbers and content of signs recently posed in the Cloquet Forest. Hunters are already calling commissioners about the number of signs. The county will likely coordinate with the DNR.

Comm. Pavleck noted that the Koochiching County ordinance was just passed and was meant to be clear and open and that people in his county have not been upset. In Cook County, Comm. Johnson mentioned, the ordinance was narrowed to county roads, adding that the DNR has its own rules for off road traffic. Safety and freedom become issues, and there was some concern over liability as manufacturers of ATVs stipulate that drivers should not ride on public roads; what does the county then become responsible for, he asked. The Cook County ordinance will be sunsetted in three years. Koochiching County's in one year. Comm. Napstad noted different rules south of Highway 2, with the state and the county each having their own rules.. He noted the opening of the "70-Mile Trail." He responds to complaints by asking callers if they belong to trail maintenance clubs, which quells upset. Comm. Beckel noted that Lake of the Woods is adding all township roads to its inventory, as with any roads towards which funding has been put. Comm. Raukar asked for comparison with other county ATV ordinances – these would include those of Roseau, Kittson and Pennington Counties. Comm. Johnson did note attempts in rules to keep ATVs off blacktop for safety purposes; visibility on hills and obstacles in ditches make for other challenges. Koochiching County ATV drivers must have a drivers license, said Comm. Pavleck. There had been an attempt to get the vehicles out of ditches where they were doing damage.

#### STATE

1. Lessard-Sams Outdoor Heritage Council land purchases: The Chair recalled that State Rep. David Dill last year introduced legislation in which one-third of the value of land purchased by the LSOHC would be set aside for distribution to the counties in which the land was bought. The Association of Minnesota Counties (AMC) is requesting a position on this issue. Comments were encouraged. The Chair noted that northern counties will have to drive the issue. Discussion touched on fee0title versus easement purchases which would not be under PILT; the majority of state counties that contain less than one percent publicly owned land; and concern by southern Minnesota legislators that money from the LSOHC did not remain in the counties where it was raised.

2. AMC Executive Council: The Chair recalled that the Board had discussed representation on the AMC Executive Council and emphasized the importance of having a regional voice there. This would add as much as 35 meetings to someone's schedule, though half of these may now be teleconferenced. Comms. Napstad and Jack Swanson were named as potential candidates for the Second Vice President, a position that traditionally has led to the presidency. The Legislative committee on MRCC also needs representation. The issue will be raised again in January, 2010.

#### FEDERAL

1. Clean Water Restoration Act Update: The Chair addressed the CWRA, noting that Congressman Oberstar had held public hearings on October 15 on a bill but did not invite those who opposed the measure. Both NACo and AMC have resolutions that do not support the bill. Mr. Oberstar has adopted some Senate language and will be reintroducing the bill, though under a new name because of negative comment on what is know known as the "Clean Water Restoration Act."

2. Cap and Trade: The Chair reported that in December a United Nations meeting will be held on the replacement of the Kyoto Accord, which the United States did not sign. In anticipation of the Copenhagen meeting, President Obama wishes to have a Cap and Trade bill in hand. The Copenhagen Agreement would demand two-thirds support of the Senate. The Chair noted correspondence between one Bob Hanson and Congressman Oberstar on Cap and Trade. The congressman's letter noted results of Cap and Trade as economic development, better control over resources, costs not being substantial and improvement in cost-effective energy production. Examination of one's own energy bills, the Chair added, indicate escalating costs beyond basic service charges. Concerns were expressed by the Board over increased costs to producers being passed to consumers. Estimates range from that cited by Oberstar of \$174 per year for individuals to \$2,000 when considering all products bought by a consumer during a year. Entry into the treaty may lock wealthy nations into paying for programs as two-thirds of voting members are needed to let a signee leave the agreement.

3. United States Coast Guard on border waters: Comm. Johnson called attention to permission given to the Coast Guard to step up enforcement along border waters designated as federal waters that encourage commerce and navigation. Because fishing guides with tow boats will now need captains licenses, outfitters will be put out of business. A presentation at a Gunflint Trail meeting by a Coast Guard representative pointed to incidents in other parts of the country where unlicensed operators were not prepared to deal with emergencies. Comm. Johnson argued at the meeting that, beyond the legal aspect, border security is best served by local individuals who are out on Lake of the Woods, Rainy Lake and the Boundary Waters on a regular basis. Comm. Beckel recalled that seventeen years ago licensing cost \$1,000. It is not \$3-4,000 every two to three years. He pointed to a "Stonegarden Grant" which provides law enforcement with time-and-half overtime pay, thus encouraging more enforcement activity. Comm. Pavleck recounted how a Rainy Lake resort owner expected 120 people for a weekend but was shut down by government inspectors enforcing commercial guiding regulations. Special events may use non-commercial guides on an informal basis, it was suggested. Seasonal help would not be able to afford the cost of full licensing, equivalent to a Mississippi barge operator's license, for which testing is carried out outside the area.

#### NCLUCB

1. Teleconferencing: Discussion was tabled.

2. National Park Documentary: Comm. Raukar recommended purchase of the Ken Burns documentary on National Parks recently aired on Public Broadcasting System stations to be distributed to area libraries and schools as an educational tool, perhaps using monies from the Board's Conflict Resolution fund. He noted the film's thorough rendition of the politics, socio-economic factors and environmental legacy of the National Park movement. As school districts and cities have flattened their library budgets, this may be a good time to make these films available. The balanced portrayal of this history was noted by others.

Comm. Raukar and the Director will look into costs and potential recipients for later board discussion.

#### Motion to Adjourn

m. Beckel s. Napstad

Meeting adjourned at 11:35 a.m.

**Next meeting: December 3, 2009, 9:30 a.m. KOOTASCA Senior Center, Northome, MN**

Respectfully submitted by Douglas Skrief, Administrator and Exec. Dir.