

Revised

**MINUTES OF THE MEETING
OF THE EXECUTIVE COUNCIL OF THE STATE OF MINNESOTA
December 6, 2012 – 10:00 a.m.
State Capitol, Room 123**

In attendance: Governor Mark Dayton
State Auditor Rebecca Otto
Secretary of State Mark Ritchie
Attorney General Lori Swanson
Absent: Lt. Governor Yvonne Prettner Solon

The meeting was called to order at 10:02 a.m. The minutes of the September 12, 2012 meeting were approved with a motion made by Auditor Otto and unanimously approved.

MINNESOTA MANAGEMENT & BUDGET

Assistant Commissioner Kristin Hanson requested approval of the list of new collateral used to secure state funds on deposit as required by Minnesota Statutes, Section 9.031, subdivisions 2 and 3.

- ◆ Motion to approve was made by Attorney General Swanson and unanimously approved.

DEPARTMENT OF REVENUE

Appraisal Supervisor Lloyd McCormick asked the Council to approve the request for property tax relief for the counties of Aitkin, Carlton, Crow Wing, Pine, St. Louis, and the City of Duluth related to the severe storms and flooding during 2012 under Minnesota Statutes, Sections 273.1231–273.1235.

- ◆ Motion to approve was made by Attorney General Swanson and unanimously approved.

DEPARTMENT OF NATURAL RESOURCES

Commissioner Tom Landwehr asked the Council to approve issuance of State taconite iron ore mining lease to ArcelorMittal Minorca Mine Incorporated under Minnesota Statutes, Section 93.1925 subdivision 1.

- ◆ Motion to approve was made by Attorney General Swanson and unanimously approved.

Commissioner Landwehr asked the Council to approve issuance of 31 non-ferrous metallic minerals leases pursuant to 2012 State non-ferrous metallic minerals lease sale under Minnesota Statutes, Section 93.25, subdivision 2.

Commissioner Landwehr briefly highlighted some of the information from the meeting agenda packet. He noted that on October 24, 2012, the Department of Natural Resources (DNR) opened bids for non-ferrous metallic minerals leases. Three parties submitted 31 bids for state leases to prospect for and mine metallic minerals. Thirty-one of the mining units received bids. Certain of the mining units which received bids had surface interests held by six private parties. After the bid opening, the Department provided each of these six private parties written notification of the bids received and engaged in follow-up conversations with certain of these private surface owners. Commissioner Landwehr explained that if a mineral deposit is discovered, the mining company would first need to prepare an environmental impact statement and the DNR would subsequently need to issue a permit to mine and water appropriation permits before mining could begin.

On September 26, 2012, DNR received a petition that was submitted to the Environmental Quality Board (EQB) requesting that an Environmental Assessment Worksheet (EAW) be prepared for the State lease sale. Six weeks later, DNR acting as the regulatory government unit issued a findings of fact, conclusions and order that the sale of metallic minerals does not directly or indirectly result in a physical manipulation of the environment, therefore, the lease sale is not a project defined by Minnesota Rules, part 44110.1100. The order did find that the approval of an exploration plan submitted under a lease is a governmental action under EAW rules. However, DNR cannot act on the petition as no exploration plans have been submitted for review. Therefore, the DNR is asking the Executive Council to approve issuance of 31 non-ferrous metallic minerals leases pursuant to the 2012 State non-ferrous metallic minerals lease sale.

Governor Dayton asked if there was anyone present who would like to speak on this matter. Paula Maccabee, Esq., pro bono counsel for Matthew Tyler, who is a forester and fisherman, addressed members of the Executive Council referencing her letters of December 3, 2012 and December 6, 2012 regarding the petition signed by 170 individuals for an EAW for the sale of State metallic leases. She requested a stay of the Executive Council action pending Court of Appeals review. She argued that the DNR environment review is not sufficient and that DNR should consider a public review process for the lease sales and place conditions on lease sales and set procedures on the process. She requested the Council to defer the approval of the proposed metallic mineral leases until the Court of Appeals has made a decision.

Several individuals from the audience spoke raising concerns as to the denial of EAW petition by DNR and concerns about non-ferrous metallic minerals mining. Betsy Daub, member of the Friends of the Boundary Waters, stated she believes that the DNR lacks an inadequate process for citizens input and review, and offered her assistance in developing a new process. The Governor stated on the record, he will convene a public meeting in hopes of crafting a better process for public participation in the sale of mineral leases and will look at the process used for the White Pine Project.

Auditor Otto made a motion to table agenda Item 4B "Request to approve issuance of 31 non-ferrous metallic minerals leases," pending Court of Appeals review with the Council to reconvene to vote on the mineral leases after a decision from the Court. Governor Dayton and Secretary Ritchie voted "aye." Attorney General Swanson voted "no." The motion carried 3-1.

The meeting was adjourned by **Governor Dayton**.