

FORESTRY, LAND, & OUTDOOR RECREATION COMMITTEE
MINUTES OF MEETING # 8 - 2012

DATE: June 11, 2012

TIME: 1:30 p.m.

PLACE: Committee Room 2, Court House, Rhinelander, WI

PRESENT: Vice-Chair Sorensen; Committee Members: Martinson, Schatzley, Shidell. Advisor Hintz. Forestry Staff: Bilogan, Bradley. Brian Desmond, Corporation Counsel. Karl Jennrich, Planning & Zoning.

OTHERS: Sharon VanRaalte, Tracy Benzel, Lloyd & Kriste Strasburg, Karl Fate, Bob Martini, Bob Metropulos, Alan VanRaalte, Christine Neidlein, Carol Schatzley, Dee Allen, Kathleen Kelly.

CALL MEETING TO ORDER— At 1:30 p.m. Vice-chair Sorensen called the meeting to order, noting that it had been properly posted in accordance with the procedures set forth by the Wisconsin Open Meeting Law.

APPROVE CURRENT AGENDA WITH THE ORDER OF AGENDA ITEMS AT CHAIR'S DISCRETION— It was moved by Shidell, seconded by Martinson, to approve the current agenda with the order of agenda items at Chair's discretion. All aye. Motion carried.

APPROVE MINUTES OF THE MAY 8, 2012 FORESTRY COMMITTEE MEETING— It was moved by Martinson, seconded by Shidell, to approve the minutes of the May 8, 2012 Forestry Committee meeting. All aye. Motion carried.

MEETINGS WITH MINING INFORMATION. Vice-chair offered information about two upcoming meetings of interest.

CORPORATION COUNSEL OPINION ON RESOLUTION 48-2011. Desmond noted that lines 89-93 of the resolution state "a designee of any town in which mineral exploration, prospecting mining or reclamation is taking place shall be a voting member of the committee." Since nothing is currently taking place in the Town of Lynne, Schatzley should properly not be a voting member. Although all agreed the intent of the resolution was to allow voting privileges on mining issues, the ordinance needs to be amended. It was agreed by all the committee members, including Schatzley, to bring the amended ordinance to restore voting privileges to the next meeting when the full committee will be in attendance.

POSSIBLE LAC DU FLAMBEAU COMMITTEE MEMBER. Schatzley previously had recommended a tribal representative be added to the committee. Desmond noted that it is allowable to add such a member to the local impact committee. Dee Allen, Vice-president of the Lac du Flambeau tribe, was invited to speak about how the tribe interacts with the Vilas County government. The Tribal-County Concerns Committee brings issues to individual committees, but no tribal members sit on the County Board. Martinson moved to allow an Lac du Flambeau member to be a member of this committee. Shidell and Sorensen voted no. Motion did not pass with vote of 1:2. Martinson moved to send a recommendation to the Administration Committee to create a committee similar to the Vilas Tribal-County Concerns Committee. Sorensen, aye. Shidell, no. Motion passed with a majority vote 2:1. Schatzley noted he would have voted aye on both motions.

RESOLUTION TO COUNTY BOARD REQUESTING TO MOVE FORWARD BY ADVERTISING FOR BIDS FOR MINING PROPOSALS—Martinson asserted that the County Board instructed this committee to have a public hearing before advertising for bids. Desmond noted that the minutes showed that the committee was to *consider* public meetings, it was not a directive to hold meetings. There was discussion about the cancellation of the meeting that had been scheduled for June 23. Schatzley stated one person should not be able to cancel the meeting that the committee had approved. He also said that bids should not go out before public meetings. He feels that the County Board should approve the bid package first, then let the committee see it. Desmond stated there is no bid package yet; all that exists are leasing agreements, and we will be requiring a great deal more information from the mining companies. If the County Board approves the resolution, this committee would need to decide what information should be requested.

Sorensen asked whether it is a possibility that one of the tribes could bid on the mineral rights. Desmond was not sure we would want to sever the mineral rights from the land. Hintz said anyone can bid but it would also depend on their qualifications. There was discussion of how to calculate what the value of the deposit would be to Oneida County. Desmond stated that the County is not obligated to accept any of the bid offers.

Vice-chair Sorensen invited County Board member, Bob Martini, to the table. Martini said he feels that there should be discussion by the Board before the bid packages go out. There should be a timeline, and where are we in the process. Where are the opportunities for Board and public involvement? There should be a debate and when will that happen? Sorensen stated his belief that sending the resolution to the Board will trigger the debate.

Bob Metropolis of the County Board spoke from the audience. Why consider the issue at this time when the whole process of mining could run into a dead end? I think the most important issue is that this committee representing the County has to discover whether Oneida County can meet certain requirements. There are requirements out there that could block mining altogether. The proposed site is presently zoned forestry with an abundant amount of wetlands. There is only one zoning district...that's industrial and manufacturing. I think the Town of Lynne has the ability to block that rezoning. If that criteria is not met, this is dead in the water. And more importantly are the tribes. You have one tribe extremely interested in this issue. It is my understanding that one or two more tribes could get on the bandwagon, which means they could block this. Before these are resolved, you're beating a dead horse. This thing will not go through if any one of these things are not addressed in a positive way. We've spent over \$50,000 on this. We can go for bidding, we can go through all this garbage for the next year and if the Town of Lynne turns down the rezoning of their property and it could block mining. The tribes could object and it could go on for many years and spend not hundreds of thousands of dollars but can run to the millions. Why not find out if the process of mining can exist? It's a waste of time and money until you address these to or three items. Bring it to the County Board and say yes we can rezone it to manufacturing and industrial. Or no, the tribes are for it, the tribes will help us out. It's simple.

Shidell: I have no problem with the bid process from the standpoint of extracting information. The problem I have is if it we send this to the County Board, there is no way in my mind that I see this passing at this CB meeting. So therefore there is no way to get bids out to get the information from a bid process before November 8. I really want to get a sense of the people of OC before we waste a lot time, if residents say forget it, it's dead as far as I'm concerned.

Shidell stated that the reason the June 23 meeting was cancelled was an inability to get the panel members for that date. It was not an arbitrary move to cancel. He feels the resolution asking for a referendum should be discussed before the bid packets are sent. If the citizens are against mining, then it should end the discussion. Martini agreed but said a series of things can be done while waiting for the referendum.

Hinz stated the original intent was to present the redrafted contracts to the full County Board in closed session for comment and their input. Once the County Board was comfortable with the documents, then send them out for bids.

More discussion about timelines, how long it would take to create bid packages, and when public meetings should be held. Desmond said that the February County Board minutes stated that the Committee should have discussions about public hearings. That has been done. Schatzley said they want more information and the committee hasn't provided it.

Shidell moved to present the bid resolution to the County Board. Sorensen seconded. Martinson voted no. Motion passed 2:1.

Sorensen moved to further recommend a closed session for the full County Board to examine the mining exploration and lease agreements. Shidell aye, Martinson, no. Motion passed 2:1.

RESOLUTION TO COUNTY BOARD REGARDING COUNTY MINING REFERENDUM.

Shidell moved to present the referendum resolution to the County Board, Sorensen seconded. All aye, motion carried. Martini suggested the questions be drafted so that more response will be received than just "yes" and "no" results. Provide information to voters before they walk into the voting booth.

AGENDA ITEMS FOR FUTURE FORESTRY COMMITTEE MEETING(S).

Desmond recommended another separate mining-related meeting to be held shortly after the County Board meeting to facilitate moving forward, since the referendum needs to go to the Board on the August 21 meeting.

- Ordinance amendment 48-2011
- Letter from Town of Lynne dated June 4, 2012.
- Request for proposal bid packages
- Mining referendum questions

NEXT (MINING ONLY) COMMITTEE MEETING—To be determined.

NEXT (FORESTRY ONLY) COMMITTEE MEETING—July 11, 2012 at 9:00.

PUBLIC COMMENTS—

Karl Fate: Tom Evans stated a while back that it doesn't make sense to lease an area where there are wetlands and lakebeds. You don't want to have a mine there. I have been asking the committee for a long time to look at the conditions at the Lynne site. For three years you have been refusing. You won't get information you think you will from the bids. That's nonsense. It would be disrespectful to reject their bids if you sent them out. I object strenuously to having Mr. Schatzley's vote taken away. The day where he would have changed the votes, you come up with a scheme to take his vote away. Some data from the Lynne site which you will ignore. (Mr Fate distributed groundwater well monitoring data, made part of these minutes). Resolutions should be generated during meetings. This

committee kept backing off, scaling back, and limiting the public. By abruptly and inexplicably cancelling the public hearings, this committee is betraying the public trust and showing contempt for the public process and the public interest in our water resources. The last minute addition of a resolution to send out bids appears to be a cynical ploy to take advantage of Scott Walker's recent plan to stop enforcing environmental protection rules in order to push a mine at Lynne. This would be a disaster for our county where the water resources are so important.

Kathleen Kelly: I was at that county board meeting and I believe that the spirit of what they said was they wanted was public hearings. In many cases we have to hang our heads when people talk about how we treated the natives. What we did was made treaties and rather than adhering to the spirit of the treaties, we got lawyers who found little words and punctuations that allowed us to follow the letter rather than the spirit and break faith with the Native Americans. What you are doing is the same thing. You were told that public hearings are important and your lawyer said because the word consider is in there, you don't have to have them. Public hearings are the appropriate thing.

Alan VanRaalte, Town of Little Rice: I don't have a problem with having a public referendum. I do, however, think there should be real informational meetings before the referendum. For example, will the committee inform the public that as of 11 o'clock this morning, Tamerlane's shares were 9 cents, Josephine's shares were a quarter, Aquila's shares were 27 cents. Unlike a Powerball ticket, the more shares you buy, the odds don't go up. Will the committee tell the public that none of these companies has ever turned a profit? Has the committee consulted with any experts other than Attorney Scott and the mining companies themselves, all of whom have a vested interest? Not that I'm aware of. Scott's going to let you string out the process as long as you're willing to pay him taxpayer money and the mining companies exploiting resources. That's nothing against mining companies, that's what they do. Has the committee consulted a hydrologist to understand the impact of mining on groundwater, that they can share with the public? You have a hydrologist on the County Board. All you have to do is ask him. Has the committee consulted with a wildlife biologist to determine the impact that a mine will have on the local ecology? Pass that along to the public. Does the committee intend to tell the public before the referendum that it has ignored the Lac du Flambeau tribe to the point that to continue without their input may risk a lawsuit? May I remind the committee that while most of the reservation is in Vilas County, Oneida County is in ceded territory. That affords the tribe certain treaty rights as negotiated with the federal government. Has the committee performed cost benefit analysis or risk assessment that it is willing to share with the public to determine whether mining will impact Oneida County's position as one of the top areas in the state for attracting tourism dollars as reported by WXPB on May 8. Has the committee developed groundwater testing protocol to establish baseline to determine water quality before and after mining operations? ..and might I add before and after exploration? To protect the health of the citizens of the county and the property values? Some seem to think that mining is panacea for the \$5 million in delinquent taxes. I'm not sure I got the \$5 million number correct but any number is meaningless without context. How does that number compare with historical averages? How much of those delinquent taxes are owed on primary residences where jobs in the county might make a difference? And how much of those taxes are owed on second homes and hunting properties owned by non-residents for whom jobs in the county would make absolutely no difference? If you think tax delinquencies are high now, just wait until there is a sulfide spill that contaminates the wells in Lynne, Little Rice and Nokomis, rendering the property values there worthless. This may come as a surprise to some of you, but I am not anti mining. Like you, I support safe mining. That statement, in and of itself, is a meaningless platitude. Have you ever heard someone

say they support unsafe mining? Or that they didn't love mom, baseball and apple pie? I would argue that no mining is safe. All mining carries a risk. Even a sand mine can pollute the environment, as evidenced by the leaking of a retention pond built this past April into a tributary of the St. Croix river near Grantsburg in Barron County, where sand is being mined for hydrolic fracturing. Thank about that. Sand mining is polluting the St. Croix river. And that's just silicon. The deposits in Lynne are locked up in sulfide, which when exposed to water, can become sulfuric acid. It's not just the Little Rice river that may be put at risk, but the Tomahawk and Wisconsin Rivers as well. Are lawsuits from downstream communities included in your risk assessment calculations? Any benefits from mining, real or imagined, must be weighed against the cost of environmental damage and any liability implications they may have as well as any negative impact on our tourism economy, actual and potential. The criticism of this committee isn't that after meeting for three years, it hasn't produced mining operations or that it hasn't killed the project, although in my opinion it is the only rational and intelligent decision that can be made from even the most rudimentary business principles applied to the facts at hand. The criticism is that after three years of naval gazing, this committee hasn't figured out what it needs to figure out. We may be on the road to doing that now, but...

Christine Neidlein, Tripoli: A point of clarification. Twice a question was asked in two different ways, about if you put out the bids, do you have to accept all the bids or can you turn them all down. Twice the answer was I think so, or I don't think so. That's not a definitive answer for a very important question.

Kriste Strasburg, Town of Lynne: I'm just so surprised. I have been coming to these meetings since their inception. During that time I have chosen to educate myself about mining. I don't see that happening at the committee level. Over and over we have brought forth information and it gets ignored. And then today, I'm just shocked that you would say that you needed input from the two absent members, as to whether you can accept someone from the Lac du Flambeau tribe who are so willing to be involved in this and they have so much to offer as far as geologist, hydrologists, water specialists, air quality specialists. You need input for that, but for the big thing, to release the bids.. whoo hoo, let's go for it, we can make that decision on our own. So essentially two people voted to go forward with that resolution to bring the bid process out and no one can decide whether you can take a member of the tribe. I'm so dumbfounded by that.

Carol Schatzley, Town of Lynne: Like Kriste, I am amazed at the decisions today. First you discussed whether the town chairman of the Town of Lynne, where the mining would happen, should or should not have a vote on the committee and whether a member of the tribe should be on the committee. You didn't feel you had enough people here to make a definitive vote on that, yet you passed something with greater magnitude than that to go ahead with the two resolutions that you did. It just doesn't make any logical sense. Secondly regarding sending the bid packages out in the first place to gather information to see what mining companies would be interested, you've already done that. You've already sent out something for the mining companies to say, yes we're interested. They had to make a deposit of money. You know they're interested so I don't understand why you would put forward with the bid package out when you already know they're interested. What's wrong with simply asking the question to the companies involved. Hey Lynn (Broydrick), Do you think your company would mind giving out some information on what kind of environmental safety measures you would be taking if you are awarded the bid? I can't see that anyone interested in doing business would be reluctant to just voluntarily give you that information without being subject to a legal contract. Lastly, my point about the decision not to hold the meeting and yet it wasn't discussed here. To just totally ignore having

informational meetings or public hearings it was a decision made somewhere, we're not really sure what the background for that decision was. However you could have explored other options. I don't think anyone would object to my saying no one in this room is an expert on mining and even you committee members don't know the ins and outs. You've met on how many occasions and not done much of anything. What would have been wrong with having these experts come to this meeting, not all at one time. One on this subject, one on that subject. They are posted out there for the public to attend. If the public is interested, they would be here. But you guys have said, we're not going to do it at all. The resolution to do a referendum; Mr. Shidell's response let the people get out all the information and winnow the good information from the bad information. Who's going to get that information out to the public. That's the purpose of having informational meetings; to get factual information out to both those pro mining and those against mining. Now I haven't heard you guys address what role this committee will play in getting out factual, unbiased information to the public so they can be educated on the vote.

David Schatzley: First of all, I've been able to vote on this committee for some time now, and I think the timing is about transparent as your purpose is opaque. I really do feel this was done at this time for a purpose. Everyone here, with the exception of the two newest committee members, knows that the intent was for me to have a vote on this committee about mining. I have never wanted or attempted to vote on Forestry issues, but as the chairperson from the Town of Lynne, I'm offended. I am offended that you would pull this at this time. I've sat here and listened to you talking about changing the agenda for next meeting, add this we can do that, but Brian, you can't get this ordinance fixed by then?

John Bilogan: The ordinance amendment is on the agenda for the next meeting.

David Schatzley: To fix the resolution so I can have a vote?

Brian Desmond: I fully admit that it was probably a drafting error on my part that caused this. I will take the full blame for this.

David Schatzley: I don't think your clerical error was intentional, but we all know what the intent and the spirit of it was. For this committee to say I can't vote today on an important vote, that's not right. Secondly, I want to know if you four got my letter. (Sounds of affirmative from other members). So we don't want to put that on the agenda for the next meeting? Do you have any questions about the letter? Let me back up a little bit. It's apparent to the audience today that what's gone on here today is very transparent. To not vote on something, but we can vote on something more important. Everybody's wondering what else goes on behind the scenes here. It may not be a rule violation to bring up a resolution out of nowhere, but what open meeting violations may be going on over the phone. I'm not accusing anybody of anything but that's how it looks. Back to my letter, I encourage you that if you do talk about it before the next meeting, I hope you do it with your corporation counsel. I guess my biggest confusion, and I am staggered by this, you know if you need the Town of Lynne to be involved in this and supportive of this, why do you treat us like crap? You've treated me like crap as the Town of Lynne representative. We asked for a little of the money that was made on the backs of the people of the town in the 80's for a shelter, and we're... oh my god, I felt like I was beaten up at that meeting. And then today you take away my vote? Give me a break. And you want us to play ball? You better look at that letter really close. I don't think you realize how much power the town has in this situation. We have a Cook's Valley ordinance. We have an ordinance that talks about zoning changes and that the town can regulate mining. I am staggered at how the Town of Lynne is being treated at this committee level and at the County Board level. The ordinance we have has been passed by the Supreme Court in the town's favor. They are not outcome

based ordinances, but they are regulatory on a town level. So please look into that before we talk about it again.

Jack Martinson: I would like to thank the people and I hope you are all aware that some of these people come 100 miles to be here. That says something.

ADJOURNMENT—With business completed, it was moved by Martinson, seconded by Shidell to adjourn the meeting at 3:50 p.m. All aye. Motion carried.

GARY BAIER
CHAIR

JILL BRADLEY
RECORDING SECRETARY