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February 1, 2008

Ms. Melanie Ford, County Attorney
Saint Louis County
100 North 5th Avenue West, #501
Duluth, MN 55802

Mr. Donald Dicklich, County Auditor
Saint Louis County
100 North 5th Avenue West, #214
Duluth, MN 55802

Re: MRR Audit of St. Louis County gas-tax funding of motorized recreation

Dear Ms. Ford and Mr. Dicklich:

In reply to your November 29, 2007 letter, reiterating your unwillingness to examine evidence that the county is violating the terms of gas-tax funded motorized recreation grants-in-aid, we are again disappointed with St. Louis County's lack of concern, "head in the sand", laissez-faire approach to managing state gas-tax funds for motorized recreation.

Most disappointing is that in the face of MRR audit evidence the county has completely surrendered its oversight obligation as fiscal agent to snowmobile clubs. That you now release gas-tax funds to private snowmobile clubs based simply a half-page *Certification of Trail Completion*, without any supporting documentation such as reimbursement logs, adequate maps of routes and public and private properties, wetlands and streams crossed; written permission from property owners and wetlands permits.

One gas-tax funded snowmobile club sponsored by St. Louis County and highlighted in our audit is the Hermantown Nightriders with a history of providing inaccurate information to the DNR and county. For many years the club submitted a land-owner list that included the names of property owners who never gave permission to cross their land, many who had revoked permission because of problems and several who were deceased.

The gas-tax funded Hermantown Nightriders Snowmobile Club has a history of trespass. A photograph of an unauthorized City of Hermantown front-end loader building an illegal gas-tax funded trail in a wetland on private property without landowner permission has been provided the county many times and is now circulating statewide and among legislators on the attached MRR *Gas-tax Diversion to Motorized Recreation Fact Sheet*. Gas-tax funded Hermantown Nightriders also have a history of ignoring, manipulating and alienating private property owners. MRR believes the people – property owners, taxpayers, citizens - of St. Louis County deserve better.

If St. Louis County is to participate as a sponsor and fiscal agent of gas-tax funded motorized recreation it must provide sufficient oversight and accountability to respond to factual concerns documented in MRR's May 23, 2007 audit of the county's gas-tax funded snowmobile grant-in-aid program. We await your full reply.

The County's deference to the Minnesota Department of Natural Resources on issues of oversight and accountability will not provide leadership here. Despite a 2003 Legislative Audit recommending more oversight and accountability the DNR has chosen to require less of those receiving over \$6 million annually in gas-tax funds. Following the money trail, it helps to understand that the DNR division that administers these gas-tax diversions for motorized recreation, the *Trails and Waterways Division*, is largely subsidized by gas-tax funds.

While MRR provided St. Louis County with an audit of gas-tax funded motorized recreation in May, 2007 when key documents were still publicly available we are alarmed to learn that not only do you no longer require them but they are no longer available for public review. As you must know, snowmobile clubs are not subject to the Minnesota Data Practices Act.

MRR is alarmed that not only has the County not responded to our May 23, 2007 audit concerns, but it has also adopted the DNR's new less transparent, less accountable system for diverting gas-tax revenue to motorized recreation.

While we continue to wait for your reply to our May 23, 2007 audit concerns, please answer the following questions:

1. Now that gas-tax funded motorized clubs are allowed to sign off on a half-page *Certification of Trail Completion* to collect gas-tax funds without accompanying documentation - such as that normally required in government and business - how does St. Louis County or citizens verify that clubs have in fact met all the terms of their agreements, including adequate maps, written permission from property owners, wetlands and water crossing permits?
2. Given the history of gas-tax funded snowmobile clubs in St. Louis County trespassing on and damaging private and public property and wetlands and the negative effect of gas-tax funded but, unwanted snowmobile routes on property owners and neighborhoods, what is the county doing to insure these problems are not still occurring?
3. In 2006 MRR completed a two-year collaboration with the Natural Resource Research Institute, City of Duluth, University of Minnesota – Duluth Environmental Studies Interns and Boreal Natives restoration firm in which we cost analyzed snowmobile and ATV damage to public trails in two study areas. Estimated cost to stop erosion and restore safe walking access to ten sites examined is \$81,000. One of MRR's May 23, 2007 audit recommendations for the county is to perform such a *cost of restoration analysis* on gas-tax funded motorized recreation routes. Please provide us with a progress update on this request and any data related to assessment of conditions on St. Louis County's gas-tax funded motorized recreation routes.
4. St. Louis County is currently being pressured by the DNR to open over 800 miles of routes to ATVs, dirt-bike motorcycles and four-wheel drive trucks in the Cloquet Valley State Forest. These routes will be opened without public and environmental review, adequate enforcement, damage assessment or restoration plan. We understand that St. Louis County is considering becoming the sponsor and fiscal agent to gas-tax funded ATV routes in the forest. Given the current lack of oversight and accountability, and the history of unwanted effects of gas-tax funded motorized recreation in the county, MRR is deeply concerned that gas-tax funding of high-impact ATVs, dirt-bike motorcycles and four-wheel drive trucks will be like gas on a fire.

Please provide MRR with the following data:

1. Current list of all motorized recreation routes and clubs sponsored by St. Louis County
2. Adequate maps of all sponsored routes
3. All signed *Certification of Trail Completion* documents for each route
4. All letters, proposals, grant-in-aid or other requests regarding St. Louis County grant-in-aid sponsorship/fiscal agency of ATV routes
5. St. Louis County's oversight, enforcement, and restoration plan for gas-tax funded county sponsored ATV routes in the Cloquet Valley State Forest.

Gas-tax funding is fueling significant unwanted motorized recreation effects in St. Louis County and statewide. We want our county, the largest east of the Mississippi River, to be a leader in oversight and accountability and the protection of private property, rights of others and our environment. That is why MRR is working with legislators the state capital right now to implement *Five Standards for Protecting Minnesota* from gas-tax funded motorized recreation.

We thank you in advance for providing above requested data and invite St. Louis County to be positive partners, not a bad example, during reform at the state capital this session. I would like to call on you to meet with other MRR members, concerned citizens and myself about how to resolve our current impasse and move forward in a most positive manner.

Sincerely,

A handwritten signature in black ink that reads "Jeff Brown". The signature is written in a cursive, slightly slanted style.

Jeff Brown
Executive Director