



ALASKA DEPARTMENT OF REVENUE
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REGULAR MEETING OF THE
MUNICIPAL ADVISORY GAS PROJECT REVIEW BOARD
July 1, 2015
(*Teleconference Only*)

MEETING MINUTES

WEDNESDAY, JULY 1, 2015

CALL TO ORDER / ROLL CALL

Present: Robert Bartholomew, James Wilson, Mayor Hopkins, Larry Persily, Robert Venables, Marsha Lambert (Denali Borough Planner), Chair Hoffbeck, Deputy Commissioner Rutherford, Deputy Commissioner Parady

Others Present: Mark Mozur, Jim Williams, Joyce Lofgren, Cherie Nienhuis, Paul Quenel

Not Present: Mayor Brower, Mayor Joule, Mayor Berkowitz

APPROVAL OF AGENDA

There were two requests made to add items to the agenda. The first request was to add an update on the PILT process before the public comment period and the second request was to add a time slot for a discussion on the municipalities' positions. These items were added to the agenda.

Approval: 1st – Mayor Hopkins, 2nd – Robert Venables

APPROVAL OF MINUTES (May 22, 2015)

Approval: 1st – Deputy Commissioner Parady, 2nd – Larry Persily

PRESENTATION: LNG Community Impact Mitigation – Global Overview

Mark Mozur, Gaffney Cline & Associates, introduced himself and went through his presentation.

Mayor Hopkins inquired if there are ever situations where the path of the pipeline has been altered due to public input. Mr. Mozur mentioned there have been cases where the route of the pipeline has been altered, before becoming active, due to strong input from a local community.

Deputy Commissioner Parady referred back to the case studies and mentioned that in various mining contexts there is an industrial mining act in place. He went on to say that Alaska could address this more generally for large projects coming into Alaska. In terms of statute, this would help in setting the stage for the future.

At the request of Chair Hoffbeck, Mr. Mozur described the thresholds for these different case study examples. He mentioned he could look into this in more detail for the future.

Mayor Hopkins suggested the board look at the Rocky Mountain Express (or a similar name) impact issues and Mr. Mozur also mentioned he could look into this.

Deputy Commissioner Rutherford stated that some of the projects mentioned by the board members are under FERC jurisdiction and this information can be gathered directly from the FERC site. Mayor Hopkins also wanted information on taxation and Deputy Commissioner Rutherford agreed that the taxation issue would be dealt with under each state's jurisdiction and subject to every state's property tax structure.

PILT PROCESS UPDATE

Chair Hoffbeck gave an update on the PILT process. A presentation was made to the producers where numbers were put on the table. These numbers were given from what the MAGP Board had suggested. The formula being a base rate times an escalator, times a five year average of throughput, and there is still some issue on what the base rate would be for an estimated construction cost. It was a very simple model to show how the numbers would work. They have heard no response back yet, but the numbers have been put forward for the operation and for the impact payments during construction.

DISCUSSION ON THE MUNICIPALITIES POSITIONS

Mayor Hopkins stated that he and his staff were frustrated with the information coming to the MAGP Board after the June 11th meeting. They felt they did not have enough time to review the presentation and when looking to the future more time is needed to discuss the municipalities' decisions. Last fall there were more face to face discussions as a board. He suggested there should be more time in the board meetings for discussion between the municipalities.

Chair Hoffbeck agreed and suggested the group meeting in mid-July for a face to face meeting to do more discussion. This would be more like a workshop where the board members could drill down ideas. Larry Persily will have a document to be shared with the group on ideas for municipality involvement.

Joe Hardenbrook requested an update on what AGDC has been working on for the next meeting. Mayor Hopkins also requested a public comment period to be held at the beginning in addition to the end of the meetings.

PUBLIC COMMENT (*No Comment*)

ADJOURNMENT