



ALASKA DEPARTMENT OF REVENUE
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REGULAR MEETING OF THE
MUNICIPAL ADVISORY GAS PROJECT REVIEW BOARD
May 22, 2015

- TELECONFERENCE ONLY -

Teleconference Access:
Call-in toll-free number: 1-800-315-6338
Access Code: 23011#

For Public Participation:
Dial in five minutes in advance of the meeting start time.

Special Notices: *If you are calling-in for public participation, immediately put your phone on mute unless it is during the public comment period or you have been asked otherwise. Please do not put your call on hold during this teleconference, instead hang up and then re-call in to the meeting. These steps are taken to prevent any disruptions and audio feedback.*

FRIDAY, MAY 22, 2015

3:00 p.m. CALL TO ORDER / ROLL CALL (ACTION)

Present: Jacob Adams, Mayor DeVilbiss, Larry Persily, Robert Venables, Commissioner Hoffbeck, Deputy Commissioner Parady, Mayor Hopkins

Others Present: Stephanie Alexander (DOR), Erika Klawonn (DOR), Nick Fulford (GCA), Paul Quenel (BP), Dan Seckers (Exxon Mobil), Marie Evans (ConocoPhillips), Joe Hardenbrook (FNSB)

3:05 p.m. APPROVAL OF AGENDA (ACTION)

Approval: Two motions to approve, no opposition.

APPROVAL OF DRAFT MEETING MINUTES (ACTION)

November 12, 2014

December 12, 2014

(Correction: Minutes sent out for Approval were for February 20, 2015 and March 13, 2015)

Approval: No opposition, Minutes approved.

3:10 p.m. DISCUSSION OF SB100 REVISION

Chair Hoffbeck gave an update on where the administration was at on the language for SB100. The newest revision was crafted from the original feedback from the MAGP Board. The most recent version was sent out to the producers and the MAGP Board for feedback. The idea is to get this far enough along to introduce it into the fiscal negotiations.

Chair Hoffbeck went over each of the board member's comments that were submitted for the board's review and consideration. The first was submitted by Mayor Walker whose main concern was that the board could only recommend certain items. The legislature could change what they recommend and then the board's voice would no longer be reflected.

Chair Hoffbeck then addressed Bob Bartholomew's comments. In response, Chair Hoffbeck mentioned the administration was waiting for more data from the project sponsors in order to better define the impacts during construction. He also pointed out there is not a well-defined process on how to use the MAGP Board moving forward. He suggested it would be helpful to have weekly teleconference updates and a process flow chart for the upcoming weeks on how to move this language forward.

Chair Hoffbeck then addressed the comments submitted by Lauren Berdow, North Slope Borough Attorney. Chair Hoffbeck commented that "there has to be an agreement between the taxpayers and the municipalities" is not an accurate statement. He said the administration is working toward an agreement between the parties, while the municipalities play an advisory role in this process and absolute agreement of the municipalities is not a requirement of statute. He also mentioned the administration is going to do everything it can to keep the municipalities informed. No matter what the board decides, the agreement negotiated by the commissioner is "not effective unless the legislature authorizes the governor to execute the agreement." This is a requirement.

Chair Hoffbeck summarized the comments submitted by Mayor Navarre. Chair Hoffbeck agreed the "exclusive" could be replaced by "primarily", but cautioned the board that the regulations need to clarify the definition for "primarily". In Mayor Navarre's comments concern was expressed over the payments being controlled by the executive and legislative branches. This was a cause for concern to the municipalities on how impact aid would be managed. The board supported the concept of separate bills for separate assets which have their own projects. The board also discussed this concept being similar to a grant program, municipalities apply for "grants" and then there is compliance for how the money is spent. Chair Hoffbeck mentioned this idea has been recommended to the administration. One suggestion was to think about using AGDC and Larry Persily pointed out that given the political nature of AGDC, this agency might not be the best place to get "checks" from. Chair Hoffbeck agreed that whatever is put in place needs to be tension free. Joe Hardenbrook voiced a concern that future legislatures might look at this proposal and deny certain community's requests based on the greater impact to other communities.

Chair Hoffbeck requested that Mayor Hopkins' team give a presentation on the history of stranded gas at the next meeting. Additionally, Chair Hoffbeck mentioned that he would be working with Gaffney, Cline & Associates to look at other similar projects in comparison to Alaska's. The board requested, if possible, the input from the producers on SB100 be shared. Chair Hoffbeck said he would look into this.

4:00 p.m. **ADJOURNMENT:** Larry Persily moved, Robert Venables seconded.

DRAFT