

I. CALL TO ORDER

The special meeting of the Matanuska-Susitna Borough Assembly was held on September 23, 2004, at the Borough Assembly Chambers, 350 E. Dahlia Avenue, Palmer, Alaska. The meeting was called to order at 6 p.m. by Mayor Timothy L. Anderson for the purpose of holding a public hearing on Ordinance Serial No. 04-175, coal bed methane conditional use permit.

II. ROLL CALL

Assembly members present and establishing a quorum were:

- Mr. J. Bruce Bush, Assembly District No. 1 (*arrived 6:10 p.m.*)
- Mr. Bill Allen, Assembly District No. 2
- Mr. Talis J. Colberg, Assembly District No. 3
- Ms. Mary Kvalheim, Assembly District No. 4
- Ms. Jody Simpson, Assembly District No. 5 (*arrived 6:15 p.m.*)
- Mr. Jim Colver, Assembly District No. 6
- Ms. Betty Vehrs, Assembly District No. 7

Staff in attendance were:

- Ms. Michelle M. McGehee, CMC, Borough Clerk
- Ms. Lonnie McKechnie, Borough Clerk's Secretary
- Ms. Tammy Clayton, Acting Borough Manager
- Ms. Teresa S. Williams, Borough Attorney
- Mr. Murph O'Brien, Acting Planning and Land Use Director

III. APPROVAL OF AGENDA

Mayor Anderson inquired if there were any changes to the agenda.

GENERAL CONSENT: The agenda was approved as presented without objection.

IV. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Ms. Janet Kincaid.

V. PUBLIC HEARING

- A. Ordinance Serial No. 04-175: AN ORDINANCE CREATING MSB 17.62. ESTABLISHING AN AREAWIDE CONDITIONAL USE PERMIT FOR COAL BED METHANE EXPLORATION AND DEVELOPMENT.
 - (1) IM No. 04-256

Mayor Anderson opened the public hearing.

The following persons spoke in support of Ordinance Serial No. 04-175: Ms. Donna Marks, Mr. Bill Marks, Ms. Becky Washburn, Ms. Helene Antel, Mr. Steve Miller, Mr. Roy Wahl, Mr. Steve Lanphier, Ms. Esperanza Lanphier, Ms. Arvita McConnell, Mr. Michael Jones, Ms. Lynne Woods, Mr. Tony Kristich, Mr. George Wagner, Mr. John Strassenburgh; Ms. Billie Haan; Mr. Scott Haan; Ms. Mary Reardon; and Mr. Steve Charles.

The following persons spoke in opposition of Ordinance Serial No. 04-175: Ms. Jean Woods; Mr. Penny Nixon; and Ms. Cory Fiege, Evergreen Resources.

(The special meeting recessed at 6:55 p.m. and reconvened at 7:05 p.m.)

The following persons spoke in support of Ordinance Serial No. 04-175: Ms. Delight Colucci, Mr. Budd Colucci, Mr. James Carter, Ms. Charolotte Sartor, Mr. Phil Munger, Mr. John Angell, Mr. Mark Clark, Mr. Dave Werner, Mr. Richard Trayler, Ms. Kim Robinson, Mr. Myrl Thompson, Ms. Mary Barrett; Mr. Fred Hirschmann, Mr. Doug Zibrat, Ms. Dory McDannold, Mr. Jim Klauder, Mr. John Robertson, Mr. Peter Burchell, Ms. Mimi Peabody, Ms. Megan Holloway, Ms. Linda Oxley, Mr. Alex Miller, and Mr. Steve Renner.

The following persons spoke in opposition of Ordinance Serial No. 04-175: Mr. James Harpster, Ms. Marilyn Crocket, Deputy Director of Alaska Oil and Gas Association, Ms. Pia Cottini, Ms. Barbara Miller, Ms. Annette Harpster, Mr. Pio Cottini, and Ms. Sherry Pinckley.

(The special meeting recessed at 8:17 p.m. and reconvened at 8:32 p.m.)

The public hearing continued.

The following persons spoke in support of Ordinance Serial No. 04-175: Ms. Patricia Mack, Mr. Michael Miller, Ms. Ellen VandeVisse, Mr. Wil Peabody, Ms. Michelle Shuman, Mr. Rick Horstmann; Ms. Gini King-Taylor, Mr. Jim Sykes, Mr. Larry LaGrone, Mr. Jeff Arndt, Mr. John Vinduska, Ms. Sherry Jackson; Ms. Alex Papasavas; Ms. Jennifer McGill, Mr. Mike Chmielewski, and Ms. Susanne Hays.

The following persons spoke in opposition of Ordinance Serial No. 04-175: Mr. Terry Olson and Mr. Link Fannon.

(The special meeting recessed at 9:20 p.m. and reconvened at 9:29 p.m.)

MOTION: Assemblymember Colver moved to adopt Ordinance Serial No. 04-175.

Assemblymember Colver:

- spoke to the request by the Alaska State Department of Natural Resources to defer action on the coal bed methane ordinance;
- commented that the Borough has been waiting a year for the State's regulations; and
- addressed impacts on private property owners.

MOTION: Assemblymember Colver moved a primary amendment to MSB 17.62.280(A)(D)(1) to insert the word "five" between the words "per" and "acre."

Assemblymember Colver remarked that five acres is much more appropriate than an acre.

Assemblymember Allen speaks to the conflict within the regulations between the State and the Borough.

Assemblymember Colberg opined that the Assembly needs to look at the intent of the overall ordinance prior to making amendments.

Discussion ensued regarding making amendments prior to discussing the intent of the overall ordinance.

VOTE: The primary amendment failed with Assemblymembers Colver, Vehrs, and Kvalheim in support.

MOTION: Assemblymember Simpson moved for reconsideration.

VOTE: The motion to reconsider failed with Assemblymembers Colver and Kvalheim in support.

Discussion continued regarding:

- the request by the Alaska State Department of Natural Resources to defer action on the coal bed methane ordinance;
- the Alaska State Department of Natural Resources' workshops on coal bed methane;
- setbacks in residential areas;
- the tax and revenue structure of the coal bed methane industry and if there is financial benefit for the Borough; and
- postponing the ordinance to give the Assembly time to make amendments.

MOTION: Assemblymember Simpson moved to postpone Ordinance Serial No. 04-175 to a time certain of October 14, 2004.

MOTION: Assemblymember Vehrs moved a primary amendment to postpone Ordinance Serial No. 04-175 to a time certain of October 1, 2004.

VOTE: The primary amendment failed with Assemblymembers Vehrs, Kvalheim, and Colver in support.

VOTE: The motion to postpone passed without objection.

VI. AUDIENCE PARTICIPATION

The following persons spoke the coal bed methane ordinance: Ms. Annette Harpster, Mr. Scott Haan, and Mr. Myrl Thompson.

The follow person spoke in support of resource management: Ms. Patricia Mack.

Ms. Jay Nolfi opined that a public hearing is not an appropriate place for political campaigning.

VII. MAYOR, ASSEMBLY, AND STAFF COMMENTS

Assemblymember Colver spoke to the Assembly working together to solve the coal bed methane issues.

Mayor Anderson:

- advised that there will be continual action from the State and the coal bed methane industry to move forward on the existing leases;
- spoke to the original presentations conducted by Evergreen Resources;
- commented that he had advised at the time for Evergreen Resources to get the community involved in the process; and
- opined that the Assembly is dealing with coal bed methane issues in a realistic way.

MOTION: Assemblymember Simpson moved to extend the meeting past 11 p.m., and no later than midnight.

VOTE: The motion to extend the meeting passed without objection.

MOTION: Assemblymember Simpson moved to reconsider the special meeting date of October 14, 2004.

VOTE: The motion to reconsider passed unanimously.

MOTION: Assemblymember Simpson moved to postpone the special meeting to a time certain of October 13, 2004.

VOTE The motion passed unanimously.

VIII. ADJOURNMENT

The special meeting adjourned at 11:01 p.m.

/S/

JIM COLVER, Deputy Borough Mayor

ATTEST:

/S/

MICHELLE M. MCGEHEE, CMC, Borough Clerk

Minutes approved: October 19, 2004