

DRAFT MINUTES
Citizens Advisory Council Meeting
January 19, 2010

Chair Richard Manfredi convened the meeting at 12:35 p.m. The following members attended:

Richard J. Manfredi, Chair
Joyce Hatala, Vice Chair
Cynthia Carrow
Jolene Chinchilli
Jim Clauser
Gail Conner
Eric Conrad
Walter Heine.

Janet Keim
Curtis Kratz
Pat Lupo
Thad Stevens
David Strong
Burt A. Waite
John Walliser
Peter Wilshusen

I. CHAIR'S REPORT

Richard introduced Eric Conrad, Council's newest member, and Toni Muhammad from the Communications Office, who is providing support to Council. He then asked members to introduce themselves.

Richard revised the agenda to go directly to the Department report in deference to a scheduling conflict.

II. DEPARTMENT REPORT

Dan Lapato, DEP Policy Office, first thanked Cynthia and Richard for chairing EQB hearings on the TDS regulations. He announced that Scott Perry had recently been named Director of the Bureau of Oil and Gas Management, and that Ron Gilius was named Special Assistant to the Deputy.

He briefly discussed that the Climate Change Action Plan had been finalized in December, and that the Climate Change Advisory Committee was continuing to meet to move the workplans and strategy into implementation phase. He offered to help set up a more detailed report for the February 16, 2010 CAC meeting.

Regarding budget cuts, he stated that 96 employees had been furloughed and that all General Fund vacancies had been eliminated. Eric Conrad asked about current complement numbers, broken down between field operations and central office. He also asked about the impact on federal funds, and how much would have to be returned by various programs as a result of the budget and staffing reductions. Dan agreed to provide the information.

He indicated that, given the diminished resources, the department's priorities moving forward would be inspection and permitting.

Walter opined that cutting CAC's workforce by two-thirds was not an encouragement of volunteerism.

Joyce opined that DEP took a harder hit than most other departments, and expressed

concern about the impact in the northeast, where there weren't enough staff to begin with.

CHAIR'S REPORT (continued)

Richard called for a motion to approve the minutes of the November 17, 2009 CAC meeting. Walter moved approval; Cynthia seconded the motion. The motion carried.

Richard called for a motion to approve the 2009 Annual Report, which had been distributed prior to the meeting. Burt moved its approval and Pat seconded the motion. The motion carried.

He indicated that no word had yet been received regarding pending reappointments (John Walliser, Pat Lupo, Jan Keim, David Strong, Cynthia Carrow, and Walter Heine). He then asked for a brief recess so that members could consider their willingness to seek election to the EQB to fill the remainder of Bernie Hoffnar's position.

After the recess, Peter Wilshusen agreed to be considered for the EQB position. Jan nominated him and Joyce seconded the motion. Peter was unanimously elected.

III. PUBLIC COMMENT

There was no public comment.

IV. CNRAC UPDATE

Kurt Leitholf reported that the dust was settling after the DCNR budget reductions. 367 full-time positions had been lost, a combination of furloughs, eliminated vacancies, and curtailed wage positions. A similar battle is expected for 2010, with further reductions expected. DCNR's priorities are

- (1) to try to keep parks open full time, but with a reduction of services and programming; and
- (2) Marcellus. With the latest lease, nearly one-third of state forest land has been leased (32,000 acres this round, raising approximately \$128 million, exceeding the \$60 million DCNR's Oil and Gas Fund was committed to provide to the General Fund this fiscal year. Kurt noted that there are only 3 Marcellus wells in production on state forest land, but many are in some stage of development.

Walter asked what happens to the lease money that is over and above the \$60 million that goes to the General Fund; Kurt responded that it goes into the Oil and Gas Lease Fund, but that that fund had been amended to require legislative approval of any spending, instead of leaving it up to the DCNR Secretary as has been the practice up until now.

Burt asked if any royalties had been received on producing wells; Kurt indicated that he did not think so.

Cynthia reported that DCNR had asked the Western Pa. Conservancy and the Nature Conservancy for input on how to minimize impacts of this and future leases. Their recommendation was that offers be limited to fringe areas (avoid the core forest). She noted that unfortunately, DCNR does not own the mineral rights under 80% of the state parks; most of these were severed at the beginning of the last century.

Eric asked about staff to monitor Marcellus development on state forests. Kurt responded that there were only 3 positions available, and that the situation could quickly overwhelm DCNR's ability to also conduct its other missions (e.g., timber sales, recreation, etc). Eric noted that Game Commission land was often coterminous with BOF land, and suggested that DCNR might be able to coordinate with the Game Commission to monitor drilling and production. Kurt agreed to follow up on the suggestion.

Pat asked if DCNR had any baseline data on water quality and quantity so that it can monitor and measure impacts. Kurt responded that BOF is trying to collect such data.

Jolene noted that the Susquehanna River Basin Commission has announced that it is monitoring streams in well drilling areas using satellites as well as on the ground monitoring.

V. COMMITTEE REPORTS

Strategic Planning Workgroup

Jolene thanked everyone for the participation in the many meetings and conference calls related to developing CAC's Transition Statement. She noted that the draft discussed at the Workgroup meeting this morning still needs some cosmetic editing, and development of an executive summary. Jolene moved adoption of the distributed draft; Pat seconded the motion. The motion carried unanimously.

It was suggested that the report be titled "Key Environmental Issues for the Keystone State." The title was approved.

Air Committee

John reported that the Air committee had held a conference call in December to discuss two rulemaking packages. As a result of the call the committee was recommending approval of a letter supporting taking the packages to the EQB. John moved approval of the letter; Peter seconded the motion. The motion carried.

Sue noted that she would be contacting the committee regarding a conference call or meeting to get an overview from the Bureau regarding upcoming proposals.

Joint CAC/CNRAC Workgroup

Richard first thanked Cynthia for her efforts to bridge DCNR and DEP through the joint workgroup.

Cynthia reminded members about the joint educational session on severance tax that is scheduled for this afternoon. She also mentioned that CAC and CNRAC are working on a joint report on the joint meetings (August, October and today).

Environmental Standards committee

Joyce reported that the Recycling Fund Advisory Committee had met. One of the action items was to endorse reauthorization of the recycling fee. She noted that the \$2 per ton fee had not been increased since its inception and even though it's 'purchasing power' was much less than originally intended, it still provides critical funding.

Dave reported that the rewrite of the waste regulations had been slowed down dramatically.

Oil and Gas TAB

Burt reported that TAB is discussing changes to Chapter 78. The primary concern is to eliminate stray gas migration. TAB has been reaching out to trade associations to collect input on technical issues, and has held 8 meetings, more conference calls, etc. He expects the draft regulations to go to EQB in March. TAB meets again on Thursday.

Dave asked if TAB was discussing much needed changes to gas well bonding (currently \$2500 a well or a \$25000 blanket bond). Burt responded that bonds are not addressed in the current package but are a future issue.

Eric asked if TAB had discussed the TDS issue. Burt responded that TDS is not considered a technical issue, but that TAB members did have concerns.

Eric asked about NORM. Burt responded that sludge could concentrate radiation, and that it might pose an issue for landfill closure.

Richard asked for a motion to adjourn the meeting. Curtis so moved, Burt seconded the motion.

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Chair Richard Manfredi adjourned the meeting at 2:05 p.m.

Notice of the January meeting was published in a newspaper of general circulation in Dauphin County and mailed to individuals and offices in compliance with the Sunshine Act (1986-84). These minutes constitute the official record of the Citizens Advisory Council meeting; no official transcript is prepared.