

**DRAFT MINUTES**  
Citizens Advisory Council Meeting  
June 15, 2010

Chair Richard Manfredi convened the meeting at 11:06 am. The following members attended:

Richard Manfredi, Chair  
Cynthia Carrow  
Jolene Chinchilli  
Eric Conrad  
Walter Heine  
Janet Keim

Curtis Kratz  
Pat Lupo  
David Strong  
Burt Waite  
John Walliser  
Peter Wilshusen

**I. CHAIR'S REPORT**

Richard asked for a motion to approve the minutes of the April 2010 meeting. Peter moved approval and John seconded. The minutes were unanimously approved.

Rich then turned the meeting over to Burt and Cynthia, as the Nominating Committee, for election of leadership and EQB designees. Burt thanked Rich for his service, and reviewed the Nominating Committee's slate of officers and EQB designees:

Leadership

- Chair: Joyce Hatala
- Vice-Chair: John Walliser

EQB

- Jolene Chinchilli
- Walter Heine
- Richard Manfredi
- Dave Strong
- Peter Wilshusen

EQB Alternate

- Cynthia Carrow
- Gail Conner
- Pat Lupo
- John Walliser

Burt asked for nominations from the floor. Hearing none, he asked for a motion to approve the slates by acclamation. Curtis moved and Peter seconded the slates and they were unanimously approved. Burt thanked all those elected for their willingness to serve.

Richard also thanked all those elected for their willingness to serve, and noted that the officers' terms take effect July 1. He thanked Council for the privilege of serving as

chair for the past two years. Curtis Kratz recognized Rich's service, professionalism and leadership.

## **II. PUBLIC COMMENT**

There was no public comment.

## **III. DEP REPORT**

Since Secretary Hanger is running late, Duke Adams, Policy Director, offered to answer any questions. Sue asked him to report on the June 3 blowout of an EOG Marcellus well in Clearfield County. He reported that the blowout occurred while the well was in the final stage of preparing for production and not during drilling or fracturing. He acknowledged problems with the notification procedure and that for 16 hours there was a release of gas and water to the environment. The company was ordered to stop activities while DEP reviewed its operations to be sure everything is being done correctly. DEP hired a consultant and an investigation is ongoing; there will be a report resulting from the investigation. The incident occurred on private land but very near a state park.

Eric asked if the corrective action plan required for each site worked; Duke said there was a problem with notification of PEMA and DEP.

Walt asked if DEP is monitoring groundwater quality to be sure water supplies are being protected. Dan responded that they do a pre-survey of wells around the site, to use as a baseline if there is a complaint, but does not do a statewide survey of groundwater. Walt reiterated his concern about protecting groundwater quality and the need for an ongoing program to monitor it. *(NOTE: at this time, Secretary Hanger arrived).*

Pat asked who conducts the pre-drilling surveys of water supplies. Secretary Hanger responded that it is generally the company; they are not required to do so, but do it to protect itself against claims of impacts to water supplies near drilling operations (by law, companies are presumed liable within 1000 feet of a well). Pat reiterated the huge potential for impacts. The Secretary noted that Pennsylvania remains the only state without water well construction standards, which would also help to address concerns. He also noted that legislation has been introduced to extend the distance within which the company is presumed liable.

Dave asked for a status report on the nutrient trading program. The Secretary reported that 8 or 9 trades have been completed in the Chesapeake Bay watershed.

Rich asked where the Secretary sees DEP headed in the next few months given past and potential budget and staffing cuts. The Secretary responded that DEP gets far more federal funds than state general funds. A number of fee packages are moving through the rulemaking process so that users pay for programs not the tax payer. DEP has been cut to, if not through, the bone; some permitting has been affected. Additional cuts could mean that DEP may have trouble meeting federal delegation responsibilities. The agency

is at a critical administrative point. He also noted how much progress has been made in protecting the environment and promoting renewable energy; things are much cleaner than 10 years ago and continued oversight is critical to protect these accomplishments.

#### **IV. COAL ASH REGULATIONS**

Todd Wallace, Acting Director of Waste Management provided an overview of the final coal ash regulations moving through the rulemaking process. The regulations are slated to go to EQB in August, and be published as final by November. Pennsylvania has a model program, and plans to move forward with the regulations even though EPA is considering two different approaches to the regulation of coal ash.

Walter noted that a lot of environmental groups oppose the beneficial use of coal ash; he asked if changes have been made to the regulations to address their concerns? Todd responded yes, for example, they added a prohibition on placement within 8 feet of the groundwater table, and they tightened/removed loopholes that had been identified.

Eric asked if there had been a workload analysis for both DEP and the industry of implementing these regulations. Todd responded that they had, and that he would provide a copy to Sue. He also mentioned several areas of cost avoidance resulting from the DEP programs.

#### **V. BUDGET UPDATE**

Patrick McDonnell, Deputy for Administration, reported that there had not yet been any action on HB 325, which would affect the revenue side of the budget by imposing a severance tax on Marcellus gas and some other fees/taxes generating approximately \$330 million across all categories. He also said that there has reportedly been some consideration of using money from special funds, but there was no real information yet.

In response to a question raised at the April meeting, he discussed efforts related to performance based budgeting. SAP has not been used for this purpose, and that it doesn't tie money and staff to the agency's performance measures and outcomes.

Instead, DEP is starting to use a program called Business Objects which allows them to connect databases; at this point, it does not yet generate actionable information, but they hope to eventually tie money, e-facts, staff time, outcomes, etc. together.

In addition, IT is working to develop across-the board (not program-specific) platforms for e-grants and e-permitting. They should end up with better and more available real-time data in one system instead of multiple systems.

SB 297 requires the Marcellus industry to register and report production information every 6 months starting in August; in October, DEP is required to display the information and update it every 6 months. Shallow wells report annually starting in February.

Eric asked if the permit platform will allow applicants to build application packages on line to save time and paperwork. Patrick responded that they are still figuring out what fields make the most sense for an across the board platform, and will translate to other uses (e.g., inspection, etc.). It will take a couple of years and they want to be sure it continues. Patrick agreed to provide future updates on these efforts.

## **VI. COMMITTEE REPORTS**

Air Committee – John reported that the Air Committee held a conference call on May 6 and is recommending approval of a letter regarding the final Outdoor Woodburner Regulations. Pat moved and Peter seconded approval of the draft letter which had been provided in the meeting materials. The draft was approved.

Water Committee – In Thad’s absence, Sue reported that on April 27, John Hines and Dana Aunkst joined a call of the Water Committee. John reviewed 4 regulatory packages moving forward over the next few months:

- Chapter 92a—NPDES fees, slated for EQB in July;
- Chapter 96—codify nutrient trading initiative, slated for EQB in July;
- Chapter 95—wastewater treatment/TDS (approved at May EQB)
- Chapter 102—E&S/buffers (approved at May EQB)

They also discussed the status of Chesapeake Bay initiatives such as the TMDL and compliance strategies for both point and non-point sources.

Joint Workgroup – Cynthia reported that on July 28, each Council will hold a brief business meeting in the morning and a joint CAC-CNRAC session in the afternoon. For the afternoon, we have lined up presentations from:

- Range Resources re: Marcellus Shale activities
- Andrew Heath, Executive Director of the Renew Growing Greener Coalition
- We will also discuss pertinent budget and transition issues

On September 21-22, we are planning a joint regional meeting basing out of Wellsboro (staying at the Penn Wells Hotel/Lodge). The evening of the 21<sup>st</sup>, we would hold an informational session to get a preview of the sites we hope to see the next day, follow up on some of the issues we heard about last year and learn about some new concerns. The site visits on the 22<sup>nd</sup> would include

- Various stages of drilling and well development;
- Water withdrawal, treatment and disposal practices and facilities
- Pipelines and rights-of-way issues

Administrative Oversight Committee –Eric discussed a proposed committee workplan, with particular focus on paperwork reduction concerns. For example, significant increases in the length of forms and guidance documents place an incredible burden on the staff that has to review the information. Reducing the administrative overhead within the agency could help to streamline operations and to reduce costs.

Rich then reminded Council that he would like to consider making the Strategic Planning Workgroup a standing committee to provide an ongoing evaluation of goals and objectives and help us keep focused on our priorities. This will be further discussed during New Business.

## **VII. AIR QUALITY AND MARCELLUS ACTIVITIES**

Krishnan Ramamurthy gave a presentation on air quality issues applicable to Marcellus Shale gas extraction activities. He noted that emissions are created as a result of drilling, construction activities, truck and equipment fumes, off gas flaring, and radionuclides from wastewater treatment. He reviewed relevant aspects of the air quality program, including various permits and exemption lists.

Nick Lazor gave a presentation on the Marcellus Shale air sampling project, which is a sampling protocol for VOC, CO, and NOx. The Mobile Analytical Unit has been deployed for this initiative. They are currently sampling in the southwest, and will move into north central and northeast before the end of the year. Once complete, DEP will decide if follow-up monitoring should be conducted and maybe even expanded, and decide if long term monitors should be installed at key locations.

Pat asked about the cumulative impact of mobile and stationary sources associated with Marcellus activities. Krish responded that the total emissions are factored in to attainment demonstrations. There was discussion about why we have to rush ahead in developing this resource before we have all the relevant data; we should slow down and be sure it is being done right.

He mentioned a Texas study (from February or March) that identified some relevant air issues, but that they were not major.

## **VIII. CNRAC UPDATE**

Kurt reported that DCNR had leased additional state lands for Marcellus drilling in May; the leases went to Anadarko, who is already drilling in the immediate area. Under the agreement, Anadarko Petroleum Corp. paid the Commonwealth \$120 million to access 32,896 acres that are surrounded by tracts of land for which drilling companies already hold lease agreements. Because these newly leased tracts can largely be accessed by gas operations on the adjacent tracts, the amount of new state forest surface area that must be disturbed is minimized. The newly leased acres cover 11 tracts in the Moshannon, Sproul and Tiadaghton state forests where Centre, Clinton and Lycoming counties meet.

He mentioned that Pennsylvania's 117-state park system competed with the best systems in the country, and was awarded the top honor as the 2009 National Gold Medal Award for Excellence in Park and Recreation Management by the American Academy for Park and Recreation Administration in partnership with the National Recreation and Park Association.

Regarding the EOG blowout in early June, he reported that the site was not on, but near to, DCNR lands, so they were concerned about the runoff to Parker Dam State Park and to Laurel Run.

Kurt and Sue went on a preliminary trip to Tioga to scope out potential sites and issues for the September regional meeting. We will continue to develop agendas and itineraries as discussed during the Joint Workgroup report.

Walter raised concerns about the lack of lifeguards at state parks.

## **IX. NEW OR UNFINISHED BUSINESS**

Rich raised the issue about making the Strategic Planning Workgroup into a standing committee. After some discussion about the potential scope of the committee, it was agreed to postpone a vote until the July meeting.

Rich asked if there was any further comment. Hearing none, he adjourned the meeting.

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*Notice of the June 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.*