

**DRAFT MINUTES**  
CAC Business Meeting  
July 28, 2010

Chair Joyce Hatala convened the meeting at 10:05 am in the 14<sup>th</sup> floor conference room. The following members attended:

Joyce Hatala, Chair	Curtis Kratz
Cynthia Carrow	Thad Stevens
Jolene Chinchilli	Dave Strong
Jim Clauser	Burt Waite
Gail Conner	

**I. CHAIR'S REPORT**

Joyce Hatala asked for discussion on the minutes of the June 15, 2010 meeting, but deferred the vote until enough members arrived to constitute a quorum.

She reported that we will be setting up meetings for Council leadership to meet with legislative appointing authorities to discuss the existing vacancies. In addition, she, John Walliser and Sue had met with Patrick McDonnell to discuss the prognosis for this' year's DEP budget.

**II. PUBLIC COMMENT**

Joyce asked the audience to introduce themselves, and if there was any public comment on agenda items. None was offered.

**III. BUDGET UPDATE**

Deputy Secretary Patrick McDonnell provided a budget status report. He stated that we were still waiting for Congress to take action on money for medical assistance (\$850 million for Pennsylvania). If Pennsylvania receives the full amount, DEP should be in pretty good shape since he hopes to be able to use increased revenues from the new water permit fees to make up gaps in the state appropriations for operating expenses, and thereby avoid further layoffs.

We may have to wait until fall to know about the federal funds; in the meantime, the Governor plans to meet with legislative leadership regarding potential cuts to prepare for the possibility that we won't receive the full amount of expected federal funds. The necessary amounts of money will be put into budgetary reserve and can be later released if sufficient funds are received.

DEP's funding sources used to be evenly distributed: 33% General Fund, 33% special fund, and 33% federal funds. Now, it is 20% General Fund, 45% special fund and 35% federal funds (excluding recovery dollars).

Regarding Growing Greener, there was a recent Growing Greener grant announcement. He expects more in the future, but smaller amounts. After the debt service is paid, there will be about \$15 million a year available in the Environmental Stewardship Fund. In addition, the Recycling Fee was reauthorized so recycling grants will begin again.

Dave asked about making money being cut for O&M for already built AMD treatment plants. He is opposed to it being funded through the AML set aside. Patrick responded that once the relevant budget issues are resolved, DEP will need to evaluate what money it can move, and where. He noted that inspection and permitting are the Department's priority, so they will be funding those first.

Jolene asked about the status of the medical community's lawsuit earlier in the year re: taking money from the medical malpractice fund to balance the budget. Patrick reported that the case has been appealed.

#### **IV. DEP REPORT**

In Duke Adams' absence, Dan Lapato gave the department report. He first thanked Dave Strong and Gail Conner for chairing EQB hearings on the Oil and Gas casing regulations. He then made himself available to answer questions.

Thad asked if there had been any progress in addressing problems with Marcellus related water pipeline permits to reduce the impact on roads from the numerous water trucks needed in the meantime. He asked why the process was so slow. Dan agreed to report back on the issue.

Burt asked for a status report on the NERO employees who were sued; Dan reported that the case is still in federal appeals court. The outcome of this case has serious implications for government employees conducting their jobs.

Dave asked about the loss of \$3 million in emergency funds from OSM, and noted that Pennsylvania is not prepared to handle these types of mining emergencies. He asked if the department had a contingency plan yet since the Secretary had previously responded that they wanted to pursue the money first, not create a new program. Dan said that the function would likely be contracted out as OSM did, and noted that Tom Callahan, the new Director of Mining and Reclamation, and/or his staff could provide an update.

Dave asked about the recently passed outdoor woodburner regulation and noted that a recent ad specifically claimed that the unit could use coal. Dan said that if a unit was designed for both wood and coal, then it doesn't fall under these regulations. The regulation does nothing for air pollution events; you still cannot discharge nuisance

smoke to your neighbor's property under APCA. The OWB regs merely establish minimum standards for installation.

Thad asked about the permit extensions legislation. Dan responded that DEP is preparing guidance for what will be extended and how the process will work. The law mostly affects permits for development, except those under federal delegation.

Cynthia asked what the term "coal spacing" refers to. Burt responded that current law requires 1000' spacing of wells in mining areas, which would not allow multiple wells on a single well pad. Legislation is needed to correct this problem for coalbed methane and Marcellus drilling to address concerns from both miners and drillers, and minimize surface impacts.

Jim recommended that DEP approach Conservation Districts to help address permit delays, especially if there are further layoffs.

Dave noted that there are no standards for geothermal wells even though they go 300-400 feet deep. Dan added that Pennsylvania also has no standards for water well construction.

Orphan well plugging—how many? One of the problems is that the same companies that plug wells are busy drilling new ones. Money for plugging has come from the Orphan Well fund, Abandoned Well fund, and Growing Greener 1 and 2. Dan recommended that Dean Pine provide an update.

Curtis supported the call for DEP and Conservation Districts to work together. He then asked about the recent hearings on the new gas drilling regulations. Dan responded that the regulations need to go back to OGTAB for discussion, and then to EQB in October.

## **V. ACT 54**

Greg Shuler reported that the University of Pittsburgh was hired to complete the report, with section by section review by staff in DEP Central Office and the California District Mining Office. Many sections are complete, and there will be sections on mining under I-79, and discussion of Ryerson, although there is not a lot of detail as DCNR and Consol are still in litigation.

Sue asked if the report would respond to recommendations in the last report (e.g., data collection, angle of draw, claim resolution). Greg said they hadn't gotten that section yet. He said that Pitt gathered a significant amount of GIS information from the companies, which should be very helpful going forward.

August 13 is the deadline for DEP to receive the full draft of the report, for final review and comment. Pitt will then have up to 45 days to revise the report, at which time the General Assembly and the CAC will get copies of the final report for 2003-2008 (i.e.,

mid-Sept-Oct). DEP plans to make CDs of the report publicly available, given how lengthy it is.

CAC's Environmental Standards committee will review the report and recommend any comments to CAC for consideration.

## **VI. APPROVAL OF THE MINUTES**

Burt moved and Curtis seconded approval of the minutes of the June 15, 2010 CAC meeting. The minutes were approved.

## **VII. COMMITTEE REPORTS**

Air Committee—In John's absence, Sue reported that the committee had held a conference call in June to discuss regulations implementing control technique guidelines for flatwood paneling and paper, film and foil. The committee drafted a concurrence letter for Council consideration; Gail moved approval of the letter and Burt seconded it; the letter was approved.

Strategic Planning Workgroup—Jolene reported the workgroup would be setting up a series of calls to get through phase 2 of the transition report. The goal is to shoot for a final report for the October meeting. Anyone interested in sitting in on the calls should contact Sue.

## **VIII. NEW BUSINESS**

Joyce reported that at the last meeting, Richard had asked that Council give consideration to creating a standing committee out of the Strategic Planning Workgroup. A proposal for a new Prospective and Strategic Projects Committee was distributed and discussed. PSP would replace both the Integrated Projects Committee and the Strategic Planning Workgroup. Cynthia moved its adoption and Curtis seconded it; the motion carried. Jolene was named committee chair.

Thad stated that despite not having personally viewed the movie "Gasland", he would like to commend the Secretary's denouncement of the film.

Curtis moved and Thad seconded adjournment.

*Notice of the July 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.*

