

DRAFT MINUTES
CITIZENS ADVISORY COUNCIL
November 18, 2010

CALL TO ORDER AND APPROVAL OF MINUTES

Chairperson Hatala called the meeting to order at 11:12 am in Room 105, Rachel Carson State Office Building, 400 Market Street, Harrisburg, PA. The following members attended:

Joyce Hatala	Jan Keim
Cynthia Carrow	Pat Lupo
Jolene Chinchilli	Rich Manfredi
Jim Clauser	Thad Stevens
Eric Conrad	Dave Strong
Walter Heine	

Dave Strong moved and Jan Keim seconded a motion to approve the minutes of the October 19, 2010 CAC meeting. The motion was approved.

Joyce asked Sue to distribute the proposed meeting dates for 2011. Council approved the following schedule:

- **January 19 (Wednesday, due to inauguration)**
- February 15
- March 15
- April 19
- **May 18 (Wednesday, due to primary)**
- June 21
- July 19
- September 20
- October 18
- November 15

Joyce announced that the terms of the following members' terms expire in January:

- Governor: Richard Manfredi and Gail Conner
- Speaker: Eric Conrad and Thad Stevens
- President pro Tem: Curtis Kratz and Joyce Hatala

These members need to let Sue know their intentions re: seeking reappointment so that she can prepare letters to the appointing authorities in January.

In addition to the term expirations, we are still carrying two vacancies, one in the House and one in the Senate.

Looking ahead, she reported that Sue is scheduling conference calls for committees to discuss 2011 priorities, in preparation for a strategic planning session early next year. If they haven't done so already, committee chairs should work with Sue to get these set up between now and the January meeting. In

addition, we will be scheduling an Executive Committee meeting the morning of the January 19 CAC meeting.

PUBLIC COMMENT ON AGENDA ITEMS

Joyce asked the audience to introduce themselves, and if anyone in the audience had any comment on agenda items.

Wendy Taylor, of the Center for Coalfield Justice, offered remarks on the Act 54 agenda item. Earlier this month, a press release reported that DEP had determined that longwall mining, specifically Consol's Bailey Mine, was responsible for damaging the dam at Duke Lake in Ryerson Station State Park. This has broader implications than just this dam as it indicates that damage from longwall subsidence can occur at greater distances than previously presumed. They look forward to the pending third report, which is 2 years late. They advocate that it should be based on **all** available information; to date, the public has not been able to see the DCNR study of the damage at Ryerson, and they wonder if the drafting team at Pitt has seen the information and included it in the report. She also referenced a supplemental DEP report that has not been made publically available. They hope that the drafting team has had access to better data on streams and wetlands than used in the past.

Problems continue with regard to underground mining. They want timely reports that truly investigate the situation. DEP should be actively working on the next report (due 2013) now to be sure that it is on time. Marcellus shouldn't displace this important and ongoing issue; soon-to-be affected communities need to know what to expect as longwall mining expands into new areas.

CNRAC Update

Kurt Leitholf discussed the importance to DCNR of DEP's recent action on the Ryerson Station State Park situation. Consol is to reimburse DCNR for over \$1 million in costs already incurred, as well as pay to repair the dam.

He also discussed Marcellus monies being generated by activity on DCNR land. DCNR has approximately 700,000 acres already under lease; they own the mineral rights for 490,000 of these acres. There are currently 25 producing wells, with 40 expected by year end, and 100 by the end of 2011. The 25 producing Marcellus wells have generated approximately \$6 million in royalties this year. Other related income generated this year includes non-Marcellus royalties of approximately \$1 million, and gas storage rental amounts of about \$500,000. The Marcellus Shale natural gas leases have generated \$430 million in bonus bids since 2008; of this, DCNR gets \$12 million annually. When built out, they expect approximately 1000 well pads to be constructed, with up to 10,000 wells drilled, and with about 30,000 of surface acres actually disturbed. DCNR must walk a tightrope to balance this with all the other uses of their lands. Governor Rendell's October 26 moratorium on further leasing of state land is expected to be lifted by incoming Governor Corbett. DCNR has about 800,000 acres in the "Marcellus Fairway" not yet under lease, but much of that land is defined as sensitive, remote or already used by a competing use.

At the CNRAC meeting on Wednesday, he hopes they will finalize the report from the joint September regional business meeting, approve 2011 meeting dates, finalize a study on revenue generation and

retention (DCNR is one of the few agencies that actually generates a significant amount of money for the Commonwealth), and plan for the transition of administrations.

Eric asked if and how DCNR's resource management plans address issues related to Marcellus development; has the agency looked at what has been proposed statewide and how it has impacted resource management? Kurt said that these issues are being studied and addressed park by park, and forest district to forest district, learning from each situation how to accommodate the industry and still protect the resources. DCNR continues to work with DEP on how to best address on a statewide basis Marcellus development on state lands. Eric asked if the 'friends' groups for individual parks have been apprised and included in the decision making about each park? Kurt said he was not sure.

Cynthia clarified that the situation with state parks is further complicated by the fact that DCNR only owns about 20% of the mineral rights under state parks, compared to approximately 80% under state forests. DCNR is trying to protect the surface impacts as much as it can, and to date, companies have cooperated as best they can in addressing DCNR's concerns. The concern of citizens is that the sheer size and magnitude of the development could become overwhelming to the resource, and difficult to manage.

Jan said that of the land already under lease, are there areas requiring additional protection? Kurt said that the land already offered for lease has been evaluated for such concerns, and were generally assessed as less sensitive. In addition, any activity of this type requires a PNDI search and assessment of sensitive areas before construction can begin.

Act 54 Report

Greg Shuler, Geologist with the Bureau of Mining and Reclamation, provided an update on the status of the latest 5 year report required under Act 54. He indicated that the University of Pittsburgh has a few more weeks to deliver the final report. DEP has reviewed drafts of each of the sections, and has provided comments back to Pitt. Once the final report is received, the final report has to go through the Secretary, to the Governor before it can be released. He will provide CAC with an electronic copy, and it will be posted on the bureau's web page. He agreed to come back to CAC in January and go over the details of the report.

He indicated that the next report will cover the 2008-2013 time period. They typically don't seek a contract for the report until the end of the report period, as there is a time lag in collecting the data. They are considering a contract to have someone work on it on an ongoing basis, with the intent of completing it by December 2013.

Sue noted that CAC is an official recipient of the report under Act 54 and indicated that the Environmental Standards committee typically takes the lead on reviewing the report and preparing any comments from CAC.

Committee Reports

Air: In John Walliser's absence, Sue reported that the Air Committee will be holding a conference call December 7 at 9:00 am to discuss priorities for 2011. Sue also reported that AQTAC had met on October 21 to discuss various regulatory packages under consideration by DEP.

Pat asked if the committee intended to look into air quality impacts from Marcellus Shale development. Sue responded that a number of committees may want to look at various impacts from the gas boom. Jolene reported that National Geographic has a very good web site on Marcellus. Pat added that Theo Colborn also has a site with good information on chemicals in the fracking fluids. Sue will send out links to both of these sites.

Water (Thad Stevens)—Thad reported that the Water Committee is holding a meeting after the CAC meeting to discuss 2011 priorities.

Prospective and Strategic Projects (Jolene Chinchilli)—Jolene reported that the Council approved phase 2 of the transition project at the October meeting. A copy of *Protecting Pennsylvania's Environment: Issues for a Challenging Time* was sent to Governor-elect Corbett on November 3, 2010. The cover letter requests an opportunity to meet with the transition team to discuss operational and management issues and recommendations.

This second report is a communication between CAC, the governor-elect, his transition team, and the secretary-designee. Council's executive director and chair are the official points of contact, to manage any further distribution and discussion of the report and our recommendations.

When considering their 2011 priorities, Jolene asked that each committee keep in mind the criteria for keeping deliberations at the policy/strategic level.

Public Participation and Outreach—has a conference call November 22 at 3 to discuss 2011 priorities.

Department Report

Secretary Hanger offered to answer questions and address member issues.

Jan asked, what action should we expect if the Department was made aware of serious violations of the Clean Water Act? The Secretary responded that it obviously would depend on the severity of the problem. Jan raised the issue of the Little Lehigh, and 40 years of sewage overflows. He responded that combined sewer overflows (CSO) are a problem associated with inadequate infrastructure. In terms of incentives, the state has provided a significant amount of funding to address these issues: \$350 million a year (mostly federal money) through Pennvest; \$1.2 billion in state money (bond) through Commonwealth Financing Authority water programs; and federal stimulus monies. In terms of disincentives, there are: litigation, fines, penalties, and orders compelling upgrades. What is often lacking is the local will and leadership to increase water bills to raise the money needed for necessary and ongoing improvements. He thinks it is a total disgrace that there is any raw sewage going into any stream in Pennsylvania in this day and age.

Walter responded that local governments depend on the department's 537 plan analysis before approving sewer extensions; part of that analysis has to do with whether the sewage infrastructure can handle increased development. Secretary Hanger agreed that the process needs to be reviewed. The fundamental problem is infrastructure; we have \$30 billion in capital needs. The Sustainable Water Infrastructure Task Force (SWITF) report recommended that water rates need to be raised to 2% of the average Pennsylvanian's income to meet the capital needs (not including operating costs).

He agrees that there is a clear role for enforcement. DEP has gotten criminal contempt orders issued and even had local officials put in jail. Alone, this does not fix the problems. We as a society need to choose to take the necessary actions for clean water.

Pat reported that Erie, under a consent decree, spent \$100 million (in 1980 dollars) and has fixed most of their problem over the last two decades. Only 4 CSOs remain in the city system.

Rich stated that one difficulty is that citizens see government financing of private “infrastructure” such as sports stadiums, money going overseas, bailouts of private businesses, etc. and then feel they have to bear the burden of their local water issue. We need to recognize that water infrastructure is vital.

Thad raised the issue of the cost and time needed to get an application approved, and the need to simplify government processes. The Secretary agreed that state monies need to be well managed and used, and that processes like electronic permitting can help, but require dedication of staff and funds to implement. We are already doing “more with less”. Ultimately, we need to invest money and resources in order to operate efficiently while protecting our environment. We need efficient processes that still provide the opportunity to hear from all who need to be heard.

On behalf of the members, Rich thanked Secretary Hanger for his time and effort as Secretary, and for the time he has given to the CAC. The Secretary thanked Council for their participation in improving the effectiveness of government.

New/Unfinished Business

Sue reported that she had sent out the text of the draft regional report, as a potential action item for today’s meeting. The report was drafted jointly with CNRAC staff. Dave moved and Pat seconded approval of the draft report; the report was approved. As reported earlier, CNRAC also intends to consider the draft at their meeting tomorrow.

Sue reported that she is in the process of drafting the 2010 annual report, for consideration at the January 2011 CAC meeting. She also handed out copies of the new CAC brochure, for use by members and staff at external meetings.

Thad asked for background information on the relative subsidies and tax credits provided to various forms of energy production.

Hearing no further business, Joyce adjourned the meeting at 1:45 pm.

Notice of the November 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.