

Minutes of May 6, 2013 meeting of the Marcellus Shale Safe Drilling Initiative Advisory Commission

Approved July 22, 2013

The Commission held its sixteenth meeting at the Garrett County Health Department in Oakland, beginning at 12:30 pm. In attendance were Chairman David Vanko and Commission members Senator George Edwards, Delegate Heather Mizeur, Commissioner James Raley, Mayor Peggy Jamison, Shawn Bender, Paul Roberts, and Nick Weber. Present by conference call were Dr. Clifford Mitchell and Harry Weiss. Also in attendance were staff of state agencies and members of the public.

Chairman Vanko called the meeting to order. The first Agenda item was a presentation by representatives of the Regional Economic Studies Institute at Towson University on the economic study RESI is going to undertake with funding from MDE. Dr. Daraius Irani and Jessica Varsa made the presentation, a copy of which is attached to these minutes. A discussion period followed, in which the following points were made.

- RESI plans to engage the community.
- The economic models can be run to simulate different scenarios.
- RESI will look at various sources of data for estimates of the amount of recoverable gas.
- The economic analysis does not directly relate to the risk analysis.
- The study will look at the number of jobs lost as well as the number of jobs created.
- The focus is on the Marcellus Shale areas, but some effects could be outside the area.
- There are many potential community impacts, including emergency response and infrastructure needs.
- RESI will keep the State and the Advisory Commission informed during the course of the study so there are no surprises at the end.
- RESI was presenting the work plan today to get feedback from the Advisory Commission.
- RESI wants to do an objective, balanced study, and all viewpoints will be considered.
- RESI would be pleased to receive data or information about sources of data from Commissioners.
- RESI will meet with stakeholders, but the meeting may not be public.
- Local plans may provide important information.
- Tourism is down from historic levels because of the economic recession.
- Drill rigs are temporary while wind turbines are permanent.
- The counties have the authority to demand a bond against road damage for oversized and overweight vehicles and to enter into agreements with companies concerning road maintenance and repair.
- State roads receive money from licenses and taxes on gas and diesel fuel.

- Two areas where gas development has occurred in tourist areas are Stonewall Jackson Resort in West Virginia and Seven Springs in Pennsylvania.

In a public comment period on the economic report, the following points were made:

- RESI should consider the possibility of re-fracking and other events that maintain a high level of activity at a well pad.
- A survey of visitors was done in 2009; this could be a source of information about those stakeholders.
- RESI should consider the trout fishermen, the bikers/hikers, and lakeside property owners.
- RESI should look at a letter the Board of Realtors sent to the Commission.
- The Great Allegany Passage and a scenic railroad go through the area.
- Don't focus exclusively on tourism and recreation – there are important non-recreational businesses.
- Is this study a VW or a Cadillac? RESI answered that it is a Cadillac study at a VW price -- \$150,000.
- Will the study consider the impact of an accident? RESI answered that the study will consider normal operations. It is not a risk study.
- How will we deal with the potential for accidents? Chairman Vanko suggested that we consider the best practices, the financial assurances and the economic study and integrate the results.
- We need to consider how we could determine if there is a public health impact.
- We should consider a Multi-Criteria Decision Analysis as a way to decide whether to go forward with drilling.

The next Agenda item was a continuing discussion of the draft report on best practices. A draft document was projected on screen with new material (new from the document discussed at the April 22th meeting) was printed in red type. Some commissioners objected to seeing new material for the first time at this meeting.

Staff explained that, following approval of the Comprehensive Gas Development Plan, an applicant would apply for a permit for an individual well. The applicant would explain how it intended to meet the API standards and the specific standards set out in the report. Delegate Mizeur expressed opposition to using the API standards.

Chairman Vanko expressed concern about the long term maintenance of the facilities, particularly if the well were sold to a secondary company. It was noted that the permit must be renewed every five years with appropriate financial assurances, and that the financial assurance could be increased if there were a basis for it.

Staff noted the recommendation that only additives that were permissible for drilling drinking water wells could be used in the portion of the borehole that passed through underground sources of drinking water.

There was a discussion regarding disclosure of chemicals and various concerns were voiced about whether, when and to whom trade secrets could be released.

The recommendations concerning leak detection, light, and reclamation were discussed. Senator Edwards recommended that the landowner have a say in the reclamation plan.

Regarding the requirement that two years of baseline monitoring be done before a well could be drilled, it was noted that some places would already have been monitored.

Dr. Mitchell noted that we could anticipate that many residents would request that their wells be tested if it appeared that drilling would move forward. The County Health Departments cannot afford to run these tests – who will pay for them?

There should be an ombudsman to help resolve disputes and help people get information and assistance from the governmental agencies.

There was a discussion of public health impacts in Pennsylvania.

In the public comment period, the following points were made:

- We should require a full Environmental Impact Statement, not an Environment Assessment.
- The draft regulations should be posted on MDE's web site.