

***The following are comments from the May 13, 2010 Wayne County Oil and Gas Task Force Public meeting. Each comment is followed with a response as appropriate. Some responses needed additional research, for example the response to comment #15 has more information than was available at the meeting.***

- 1) The Task Force was thanked for presenting unbiased education and information. This is important for all stakeholders and County residents. The sub-committee composition has a nice broad range, especially the Environment sub-committee. Why doesn't the main Task Force have more non-profit representation?

The main task force is typically kept small. As with any organization – the larger the organization gets the more difficult it is to get anything accomplished. As the organizational process proceeded, it was decided to get the existing county agencies together – the main players of each category. Then each category would have a sub-committee to meet with the groups. Sub-committee chairs report back to the main task force.

Under environment, the head of the Wayne Conservation District heads up the sub-committee. Many environmental groups have representation on the sub-committee. They meet as determined by the group, themselves, and the chairman of the sub-committee then reports to the task force.

Under safety, the top emergency management person in Wayne County is the Emergency Management Director. Following the same set up as the environmental sub-committee, a number of different emergency management organizations are represented, but not everyone. The reasoning follows that every fire company and every ambulance company would not be on the task force. Rather you have the top emergency management person in the county that typically works with all the emergency response entities, as the chair of the Safety Sub-committee. As the sub-committee meets and discusses issues, the chairman then takes those issues back to the task force.

Likewise the government sub-committee is set up the same, as every one of the 28 townships and boroughs could not have a representative on the task force as that in itself would be too large. An officer of the Wayne County Township Officials Association has a seat on the task force and chairs a sub-committee which reports back to the task force on the issues regarding local government.

This is the way the task force and its sub-committee structure was set up and is generally consistent with other task forces in other counties across the Marcellus Shale region in Pennsylvania.

- 2) It was stated the Task Force has a great combination of members. This person wanted to know how do you coordinate with the State regarding money being transferred down to local government and impacted areas? This question had to do with a proposed severance tax. How are the municipalities expected to fix

roads with the posting and bonding amounts so low? The current timetable is a two-year process before the posting and bonding amounts are increased.

This is a very important issue. The Government Sub-committee is monitoring the discussion as it unfolds across the state. Local governments are very limited in what they are allowed to do by state law. No local official wants the deterioration of the roads, which may occur, to become a burden on the local taxpayer. Bonding of roads is a potential avenue. But the drawbacks are the limits under current state law and the enforcement of the bonding procedure. Current state law limits the amount of a bond. Those limits for bonding will only cover approximately half of what it would cost to repair damaged roads. State law also requires bonding to apply to all users of the roads. It would also subject milk trucks, loggers and any other local businesses to the bonding requirements. Some municipalities have road use agreements with the gas companies where responsibilities of the gas company are spelled out. It allows the local governments to have the repairs made to local roads that could be in excess of the limits that would prevail under bonding. It would also limit such repairs to the gas companies and not subject local users to bonding requirements. Some claim that the downside to the road use agreements is that they may be more difficult to enforce. The Government Sub-committee is collecting information from local governments in this regard and is seeking samples of different arrangements for Wayne County municipalities to use as they consider and decide what would be the best approach for each.

- 3) Prioritization was the focus of another question. This person stated that the goal of the Task Force should be to protect the environment first and then capture potential economic opportunities. The composition of the Task Force includes a great group of people.

By listing the goals on the web site, in the manner that they were, there was no intention to imply a prioritization of the goals. All are very important issues as they relate to Wayne County, its citizens and local governments. The goals on the web site have been rearranged as suggested, however, it should not be interpreted to mean a prioritization.

- 4) A property owner was concerned over her perceived decrease in land values and stated that all her money is tied up in her properties. She believed the gas leasing activity will drive down property values and there is virtually no real estate transaction activity at the current time.

(See Comment # 7)

This person also stated she was very concerned about the potential for water and air pollution.

The Wayne County Oil and Gas Task Force is also concerned about water and air pollution. That is one of the important reasons for the formation of the Task Force. There are sometimes limited powers at the local level. Much of the industry oversight is provided by state regulations. Information collected and provided through public meetings and the web site are important ways for the task force to disseminate that information to the public and local governing officials. Such information is available to help them understand the industry and to be alert to potential water and air pollution issues and how to pass their concerns on to the proper regulatory agencies, such as the Pennsylvania Department of Environmental Protection or the Delaware River Basin Commission.

A copy of her concerns that she originally presented to the Manchester Township Supervisors in March was distributed.

Some of the issues dealt with the same concerns the task force and its sub-committees have or will be reviewing, while other issues fell under the jurisdiction of the state and regulatory agencies.

- 5) A gentleman had concerns about local emergency response. He stated that he is a regular contributor to the local Damascus Ambulance and he suggested that all gas company employees should contribute to the local volunteer emergency service providers.

While such contributions would most certainly be welcomed by local emergency providers it should also be mentioned that gas exploratory companies typically contribute to local emergency service organizations. They also work with such organizations and participate in training programs to help local responders to understand what to expect in this new industry in the community and how to respond to emergencies that may be unique to the gas industry.

Also, technology is being refined and coordinated between area communications centers to ensure when someone makes a 911 call from their cell phone that the call is picked up by the correct communication center. This is especially important in the eastern area of Wayne County where cell phone 911 calls had been routed to the Sullivan County, New York center. It appears this situation has been successfully addressed.

- 6) A question centered on news recently about gas company subsidiaries that will be constructing transmission collection lines. He indicated that he believes some are applying to the PUC to become official utilities. He is concerned about them being able to circumvent eminent domain laws and if they will be able to gain utility line construction access on property without the owners consent.

Currently there is a company which will be constructing a gas transmission line in western Susquehanna County that has applied to the Pennsylvania Public Utilities Commission (PUC) for designation as a "public utility". Such a designation

would give that company the power of eminent domain. Although this project is primarily a collection and transmission project, it appears its operations may be fashioned so it would meet the definition of a public utility by providing service directly to customers. The PUC appears to recognize the twists that are coming in the Marcellus Shale industry. They are in the process of conducting special hearings on how to approach the new industry. The PUC has a special web page set up for the Marcellus Shale topic. It is:

[http://www.puc.state.pa.us/naturalgas/naturalgas\\_marcellus\\_Shale.aspx](http://www.puc.state.pa.us/naturalgas/naturalgas_marcellus_Shale.aspx)

The Task Force will be monitoring this subject.

- 7) A realtor with 30 plus years experience indicated that the area would see a huge boon in real estate values. She indicated that the current low real estate values are not a product of the gas leasing, but rather a product of the overall economy. She is also concerned about protecting the environment but also welcomes new industry.

This comment was in response to comment number 4.

- 8) A businessman operating along the Delaware River acknowledged his appreciation of the Task Force. He indicated that Wayne County property owners are losing control of their land. This is being demonstrated by the action of the Delaware River Basin Commission (DRBC). He commented that people from out of the area have control over the economic development that can potentially occur here. He stated that Wayne County residents should stand up for their rights and that the DRBC needs to be reigned in.

No response necessary.

- 9) Another person commended the Task Force for their efforts. She is also concerned about the environment. She indicated that protecting the environment and economic development are not mutually exclusive. Both outcomes are possible. She indicated her approval that the municipalities are being helped with road agreements. She also commented that people should be aware that posting and bonding potentially affects and applies to all heavy truck traffic, not just the gas drilling trucks.

No response necessary.

- 10) A person questioned the participation of county employees on the Task Force. It was her position that this in effect is subsidizing the gas industry.

The purpose of the task force is to help prepare Wayne County, the local municipalities and its citizens for the arrival of this new industry to the County. Although there are those who wish to see this industry never to arrive here, it would not be prudent to be unprepared. It appears imminent that the industry will be in Wayne County. Those who have gathered on the task force are the leaders

in their respective fields who have always worked together when new issues and changes are upon us. Local governments may be limited by state law as to what they can and cannot do in regards to regulation. But in those areas where local government can act to protect communities and its citizens from the challenges presented by the industry and where local businesses can capture economic opportunities it would be foolish not to educate ourselves to the many issues, both positive and negative, that are coming with this new industry.

- 11) It appeared to one person that everything seems to be geared toward economic development. This is good but she feels the majority of the people in the Marcellus Shale area are not leaseholders. She wondered who represents the concerns of the non-leaseholders regarding environmental issues.

Regulation of the industry is conducted for the benefit of all citizens whether they are leaseholders or not. The Commonwealth of Pennsylvania has delegated the responsibility of environmental regulatory oversight to the Pennsylvania Department of Environmental Protection (DEP). In addition, the Delaware River Basin Commission (DRBC) and the Susquehanna River Basin Commission (SRBC) also have roles in water usage and/or water protection as may be spelled out in their inter-state charters. The following are the web sites where interested persons can find more information:

DEP – Marcellus Shale Web Page

[http://www.dep.state.pa.us/dep/deputate/minres/oilgas/new\\_forms/marcellus/marcellus.htm](http://www.dep.state.pa.us/dep/deputate/minres/oilgas/new_forms/marcellus/marcellus.htm)

DRBC – Marcellus Shale Web Page <http://www.state.nj.us/drbc/naturalgas.htm>

SRBC – <http://www.srbc.net/>

- 12) Other issues were discussed by one person who indicated that the issues raised are good but there are much bigger issues at hand. The lease money provided to land owners has allowed children to stay in the area. He cited an example of a recent college graduate with a geology degree that was excited about landing a new job. Unfortunately the job was out of the area. He stated it would be great if she were able to land that job here. He indicated that approximately 5,970 leases have been signed in this County. Those leases encompass nearly 150,000 +/- acres. He calculated the signed leases have generated approximately 250 million dollars in up front money. Without that money he wonders what would have happened locally on top of the collapse of the housing industry. That money received was crucial to the local economy. He indicated that if just 10% of the 150,000 acres were to be developed, it would translate to 150 million dollars to the local economy. He also stated that we want it done correctly and it is in our economic interest to do so. He stated that reports of contamination in the Philadelphia papers due to fracking are simply not true. Problems in the Dimock area were not due to fracking. He feels that the Philadelphia influence has taken over the DRBC.

They will now attempt to regulate well pad construction. He stated that the news release regarding their new regulations and the application of those regulations to current proposals for water withdrawal is confusing and contradictory. He stated the DRBC believes it will likely be 6 months to a year before the new regulations are completed.

No response necessary.

- 13) A question was posed regarding any cross county communication and the sharing of information.

There has been considerable inter-county communication between counties. A number of county organizations have been monitoring the issue in other counties. The Wayne Conservation District is working with Bradford and Susquehanna Counties in an effort to learn from what they have already encountered. The Wayne County EMA is currently working with Wyoming County and they are learning from the experiences of this and other Counties with respect to emergency preparation planning. Some task force members are researching and /or attending other Northern Tier Counties' task force meetings to gain perspective from their experiences along with communications with planning offices.

- 14) A question was posed regarding the closest hazardous material response team.

The closest team is a private company located in Dunmore, PA.

- 15) A question was posed regarding if the Task Force had any additional information on the Chesapeake Robson site.

As of June 10, 2010, information obtained from the DEP Northeast Regional office from the Oil and Gas Section indicated that Chesapeake went through the Act 2 process (assessment and sampling). The report was submitted to the Environmental Clean Up program (DEP) and is being reviewed. In addition, Chesapeake has stated that they are actively working with DEP to assess the site to determine if any remedial action needs to be taken.

- 16) It was questioned what the Wayne Conservation District involvement would be being that the erosion and sedimentation control plan review was taken away?

Direct involvement is limited, as they currently have no regulatory authority due to the directive from state government. The Wayne Conservation District, as well as the other Conservation Districts around the State, would obviously like to have a regulatory authority. In an absence of any authority the Conservation District will use education and public/industry awareness as methods of providing for environmental protection.

- 17) Questions arose concerning the composition of the Task Force. It was mentioned if the Task Force should have representation from the outdoor sporting community. It was also asked how someone, who was interested, could acquire a seat on the Task Force.

It was stated the task force would consider how representation from an outdoor sporting person could be incorporated into the task force structure or the sub-committee structure. The second part of the question about enlarging the task force membership is best answered by referring back to the response to question number 1.

- 18) A question was asked regarding how to get ideas for links posted on the Gas Task Force website.

Chairman, Edward Coar is the point contact for any website ideas.

- 19) A property owner commented on how the DRBC ceased drilling operations on his property. He expressed his frustration with the DRBC regarding how the gas company that was conducting the drilling on his property repeatedly inquired about the steps required to obtain approval for water withdrawal. He stated that every time the gas company met the stated requirements the bar was raised by the DRBC over and over again. He commented on the places in Susquehanna County that have experienced well contamination. He indicated that he was aware of shallow gas seeping into well water for many years prior to any drilling activity in that area.

No response necessary.

- 20) A gentleman stated that he attended the DRBC meeting and he witnessed several buses with people from New York and New Jersey, but there were not many people from Wayne County speaking out on behalf of gas drilling. He felt that those from Wayne County who are in support of gas drilling need to be more outspoken.

No response necessary.

- 21) A question centered on what is being done to train local fire companies on emergency preparedness.

Training exercises and courses would be held to train local fire companies. Dialogue will continue with the gas companies in order to ensure that the companies and the emergency responders are aware of their responsibility. It is also important for local emergency personnel to understand which events they need to leave for professional emergency responders brought in by the gas companies.