

Allegheny County Council

*County of Allegheny
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Committee Meeting Minutes

Wednesday, May 6, 2009

5:00 PM

Conference Room 1

Committee on Government Reform

***Rich Fitzgerald, Chair; Jim Burn, Jim Ellenbogen, Nick Futules, Vince Gastgeb,
Amanda Green, Bob Macey, and Chuck McCullough - Members***

I. Call to Order

Summary: *The meeting was called to order at 5:00 PM*

Invited Guest:

Jim Flynn, County Manager or Designee

Jon B. Laughner, Penn State Cooperative Extension

Lou D'Amico, Executive Director, IOGA of Pennsylvania

Alan Eichler, DEP

Summary: *Invited guests in attendance: Derek Uber for Mr. Flynn, Mr. Laughner, Mr. D'Amico, and Mr. Eichler*

Recognized attendees: John Shea, Jr., Penn State Cooperative Extension

Council staff in attendance: John Mascio, Jennifer Liptak, Jared Barker, and Joe Catanese

II. Roll Call

Roll Call: Present: Nick Futules, Amanda Green, Bob Macey, Rich Fitzgerald, Michael Finnerty, William Robinson, and Jan Rea
Absent: Jim Burn, Jim Ellenbogen, Vince Gastgeb, and Chuck McCullough

III. Approval of Minutes

4841-09 Motion to approve the Minutes of the April 14, 2009 Government Reform Committee meeting.

Action: **A motion was made by Macey, seconded by Futules, that this matter be Passed. The motion carried unanimously.**

IV. Agenda Items

Ordinances

4752-09 An Ordinance of the Council of the County of Allegheny, Commonwealth of Pennsylvania, amending the Allegheny County Code of Ordinances, Chapter 435, entitled "Minority Business Enterprise Program," §435-3, entitled "Advisory Committee," in order to clarify the organizational structure of the County's MBE Advisory Committee.

Sponsors: William Russell Robinson, Bob Macey and Michael Finnerty

Summary: *Mr. Robinson provided the Committee with a detailed summary of the bill. The Chair spoke in favor of the bill. Councilmembers Macey and Finnerty asked to be listed as co-sponsors.*

Mr. Finnerty expressed concern that the bill indicates that there would be no more than 15 members of the committee and asked if that meant there could be less. Mr. Robinson said the intent of the bill is to have 15 members and that he would introduce an

amendment at the May 20th Regular Meeting which would clarify that.

Action: **A motion was made by Macey, seconded by Futules, that this matter be Affirmatively Recommended. The motion carried unanimously.**

4809-09

An Ordinance amending and supplementing the Allegheny County Code of Ordinances through the creation of a new Chapter 720, entitled "Energy Resources," in order to establish County policy for the use of energy resources derived from property owned by Allegheny County.

Sponsors: Rich Fitzgerald, Bob Macey, John DeFazio, Nick Futules, Vince Gastgeb, Michael Finnerty, Jim Ellenbogen and William Russell Robinson

Summary:

The Chair invited Mr. Laughner, Mr. D'Amico, Mr. Eichler, & Mr. Shea to the committee table. Mr. Laughner distributed packets of information (on file) regarding natural gas exploration, wind energy guides, and the Marcellus Shale: What Local Government Officials Need to Know. Mr. Laughner and Mr. Shea reviewed those documents with the committee.

The Chair asked Mr. D'Amico to explain the County's options regarding drilling. He said it would be best to lease the property to a developer. He said they should set up a leasing program for bid. He provided a detailed explanation of that process.

He said that the amount of land used during the drilling process will have an impact on the surrounding area. Ms. Rea requested that Council organize a field trip to look at existing property that is current experiencing drilling. Mr. D'Amico said that he would be happy to accommodate that request. The Chair said that he will arrange it.

Chair asked Mr. Shea and Mr. Laughner to explain to the committee what they could expect if they issue a Request for Proposal (RFP) for well producers. They referred to the packets of information that they distributed which they said provides to local governments good basic information on what to expect.

They said that the handouts contain information regarding local government issues that would walk a person through what they should look for before they sign a lease with anyone. They collectively reviewed this process with the committee.

The Chair presented Mr. D'Amico with a hypothetical situation asking him if the county could drill a hole in Kane Hospital parking lot and make a well and provide them gas. Mr. D'Amico said that it is a possibility but would not recommend it because it is destructive. He also said that it would be difficult to find anyone who would do it because the amount of gas derived from the hole would far exceed the amount necessary to provide Kane. He said this may be true in any similar circumstance.

Mr. Eichler reviewed what the county would need to do and what environmental processes and procedures they would need to follow. He said that whoever gets the bid would have to notify the DEP and describe the location and processes they plan to do so that they could obtain a permit. He explained in detail the process necessary to obtain a drilling permit, as well as fluid/waste handling permits. He also discussed differences between shallow and deep wells from DEP permitting perspective. As horizontal drilling evolves, DEP continues to revise regulations for that, but the vertical portion is what they really care about, because that's what goes through groundwater zones. He

described some of the plans and temporary controls that need to be in place while the disturbance exists.

The Chair asked Mr. D'Amico if he had an idea on how much money the county could save if they did this. Mr D'Amico provided a formula but said that it is based on different circumstances at different times and said that he could not give him an exact amount. He did say that the county could receive approximately 15% of the life of the well, which would be around \$300,000. Mr. Laughner said that a lot of these issues would need to be covered in a lease.

He said that he would recommend that the county lease the property and have drilling company assume the risk.

Mr. Eichler talked about DEPs primary concern being not taking too much water from any source to the point that you make streams run dry. The drillers have to submit water action plans that describe where they're going to get water, how much, and other information. He said that the bigger concern is treating and disposing of the frac water, which is high in salt and other elements, and he said that finding a cleaning method that works is not easy. He said that we may even see an industry develop in the next 5-10 years to treat the wastewater.

Mr. D'Amico discussed recent reports of high TDS water due to drilling, when the components of the contamination in the Mon River appear to be from acid mine water.

Mr. Eichler talked about development in general increasing TDS emissions, but because the Mon has high TDS levels already, every TDS source is going to have to be watched carefully. He said that wastewater wells (deep shafts that they just dump wastewater into) help greatly, but there aren't many of them in PA now. He also noted that the industry is very active in western PA and has a history here, they know how to drill and they work with DEP to resolve issues.

Mr. D'Amico talked about Marcellus wells using exactly the same additives for their water as conventional wells have been using in PA for 50 years.

Mr. Eichler noted that DEP isn't finding anything particularly interesting or troubling in frac water.

The Chair said that he will continue to hold Committee Meetings on the bill.

V. Adjournment

Summary: *The meeting adjourned at 6:20 PM*