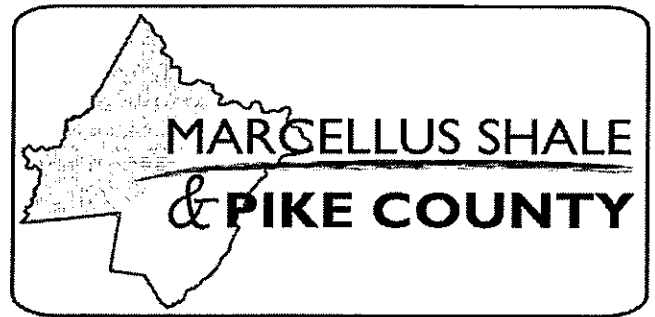


Pike County Marcellus Shale Task Force November 2, 2011 Meeting Notes

Meeting Location: Pike County Commissioners Mtg. Room
506 Broad Street, Milford



Welcome – The meeting was opened at 1:00pm by Pike County Commissioner Chairman Richard Caridi. He thanked everyone for their continued interest and volunteerism on the various Committees.

Committee Reports:

Education Committee – Committee Chair Peter Wulforth was not available but had provided a written report which is attached. Sally Corrigan, Planning office asked for additional volunteers to serve on this committee; there are currently only 2 members.

Planning / Government – Committee Chair Michael Zibrin provided a written report which is attached. He gave a brief overview of the activities of the committee since January organization. He focused on the Committee's recent work reviewing the July 22 report of the Governor's Commission and the October 3 release by the Governor of his recommendations based on the Advisory Commission report. The Planning and Government Committee members reviewed each of these documents; meetings were spent discussing the information and assembling committee comments based on consensus. A summary report statement on each was provided to all Pike County municipalities.

Environment Committee – Ken Ersbak, Chairman was not available for the meeting. Nicholas Dickerson and Susan Beecher provided the update. The environmental committee has been in the process of developing an action plan to address environmental protection and remediation of Pike County's natural areas from the impacts of natural gas infrastructure development. The committee is also examining the feasibility of conducting baseline ground and surface water testing in parts of the County.

Economic Development/Tourism Committee - Sally Corrigan provided the report. The Committee did not meet over the summer since members are local business owners, and it is a busy season. A September tour and meeting with Chamber of Commerce members in the Northern Tier had to be postponed due to the widespread flooding during the month. The Committee is moving forward with the "PR piece" mentioned in their July report. A grant in the amount of \$1,000 was awarded from the Upper Delaware Council under their Technical Assistance program. The design is being completed by a local graphic artist. Once completed, the brochure will be made available on-line as a link to local businesses; some printed copies will be prepared based on funding. Committee member Dave Chant was in attendance and added comment; he stated that the County, local businesses and visitors bureaus need to be promoting Pike County as "green." With the potential for shale activity in and near the county, this type of promotion will be important to our tourism industry. 2013 will be the 50th anniversary of President Kennedy's visit to Grey Towers to accept Grey Towers, Pinchot's home from the family on behalf of the nation. Now would be an ideal time to begin this green campaign.

Roads/ Transportation/ Infrastructure - Jon Castimore, Pike County Road Task Force member who is chairing this MSTF Committee commented on several items: Pike County municipalities will not be using drilling brine on the road for winter maintenance. To date, none of this brine product has been used on Pike County roads. It should be noted, however, that other municipalities across the state are using it and DEP is working on a general permit for this brine application to roads. Road Maintenance Agreements have been obtained from counties and municipalities across the state; the Committee will now work on drafting a model for Pike County municipalities.

Public Safety – Roger Maltby stated that the one LEPC meeting held since July was spent dealing with the flooding issues. The LEPC, however, is keeping abreast of the critical emergency services updates and training needed to address shale gas exploration. Pike emergency personnel who are all volunteer, are attending training presented by the industry. When the new Pike County training facility is complete, local training can be provided to the volunteers. Mr. Maltby also responded to various questions from those in attendance related to emergency operations plans, hazmat response crews and times, homeowner notifications and preparedness.

Updates:

Delaware River Basin Commission DRAFT Natural Gas Regulations – Sally Corrigan announced that DRBC will post modified DRBC draft NG regulations for public information on their website on November 7. This will be for information purposes and not for public comment. The DRBC will hold a Special Meeting on November 21 to consider adoption of regulations (10:00am to noon), Location of mtg: Patriots Theatre at the War Memorial, 1 Memorial Drive, Trenton, NJ.

PA Marcellus Shale Advisory Commission Report – The Report distributed on July 22, 2011 can be accessed at the following link. The Recommendations of the Commission can be found in Chapter 9 of the report. The Planning and Government Committee has reviewed this report extensively and provided a statement on some items of concern.

http://www.portal.state.pa.us/portal/server.pt/community/marcellus_shale_advisory_commission

PA Governor Corbett's Recommendations based on Advisory Commission Report – Sally Corrigan reported that the Governor distributed a statement on October 3, 2011 regarding his proposed actions related to the Advisory Commission report. The County has posted the Governor's statement on the county website for review by the public. Again, the Planning and Government Committee and the County Planning office staff have reviewed these documents and have assembled items of concern. These have been shared with area legislators.

http://www.pikepa.org/Planning/Marcellus/Governor_Legislative_Plan_IMPACTFEE.pdf

PA Marcellus Shale CITIZEN's Advisory Commission Report – Nicholas Dickerson of the County Planning office provided information on the report released on October 25, 2011 from the self-appointed Citizen's Advisory Commission. The Chairman of this Commission withdrew at the last minute stating that the report did not go far enough in regard to environmental concerns. It is not clear what impact this citizen's report will have. We have posted the report on the county website.

http://www.pikepa.org/Planning/Marcellus/Citizens_Marcellus_Commission_Report.pdf

PA Legislative Proposals Fall Session – Nicholas Dickerson reported on several proposed bills relative to the Governors recommendations and the impact fee. These proposed bills include HB1950, SBI 100, and HB367. Several of the bills provide specific concerns to local municipalities in regard to zoning jurisdiction and preemption of authority. Nicholas stated that the County Planning office will continue to try to track pending legislation and provide information. It was stated that a vote in the legislature on an impact fee could come by Thanksgiving or soon thereafter.

Public Comment Period - Commissioner Caridi had provided opportunity for public comments and questions throughout the meeting. At this point there were few questions, although several people asked for clarification on the proposed legislation that provides for a model ordinance for municipalities. The model would be drafted by the Public Utility Commission and would provide for natural gas exploration activities as a "principal permitted use" in all zoning districts except residential where it would be a "conditional use." If local jurisdictions enacted more stringent zoning ordinance provisions this would preclude the municipality from accessing any of the impact fee revenues for their municipality.

NEXT Meeting will be held on Wednesday, January 25, 2012 (1:00pm). Watch county website or call the Commissioners office for weather related cancellations.

Pike County Marcellus Task Force

Education Committee Report

November 2, 2011

The Education committee consists of Peter Wulfhorst – Chair and Steve Vitale

The County Marcellus Task Force and Penn State Extension – Pike County sponsored a Marcellus Shale Drilling & Your Private Water Supply program on September 19. Approximately 25 people attended the program at the PPL Center at Lake Wallenpaupack to learn about gas well drilling basics and how gas wells can impact private water supply wells. In addition, those that attended learned about potential water pollutants from gas wells as well as the importance of testing your private water supply well.

The Pike County Economic Development Authority and Pike County Chamber of Commerce is sponsoring a program “Learn how your business can profit from Marcellus Shale” on Tuesday, November 15 from 5-6:30 PM at the Delaware Valley High School. The speaker is Dr. Tim Kelsey, Professor of Agriculture and Economics at Penn State University. Dr. Kelsey will share his findings from studies he has conducted on the Marcellus Shale industry from a business perspective.

The committee has convened a meeting recently and will meet sometime after the full County Task Force meeting.

**PIKE COUNTY MARCELLUS SHALE TASK FORCE
PLANNING AND GOVERNMENT COMMITTEE**

Subject: Report on Activities of the Committee

Date: November 2, 2011

Committee Chair – Michael Zibrin

The Planning and Government Committee has taken an active role since its organization in early 2011. Our nine Committee meetings held to date in 2011 have focused discussion on current issues and concerns of our Pike County municipalities.

February 24 – organizational meeting

March 24 - assembled list of the critical concerns of Pike County municipalities; named subcommittees to identify the most responsible way to deal with the most prevalent municipal concerns

April 7 – Reviewed the reports from the subcommittees and identified the next steps in taking action

April 27 – Reported progress to the TASK FORCE

May 12 and May 26 – Specific discussion on ROADS, WATER and DELIVERY of MUNICIPAL SERVICES -- the 3 top municipal concerns as they relate to Marcellus

June 30 and July 14 – Reviewed and discussed SBI 100 legislation proposing a PA impact fee and a municipal Model Ordinance drafted by the Public Utility Commission.

July 20 – Reported progress to the TASK FORCE

Since the last meeting of the Task Force, the Pike County Marcellus Shale Task Force Planning and Government Committee met on August 18 and October 13. Both of these Committee meetings focused discussion on the Recommendations Report of the Governor's Marcellus Shale Advisory Commission released on July 22 and the Governors response to that report released on October 3, 2011. The Committee reviewed, discussed and assembled a consensus statement on both documents. This was shared with area legislators. Additionally, Committee municipal representatives prepared and gave updates to their municipal officials.

As the Committee moves forward, we will continue to monitor legislative activity in this Fall's legislative session related to both the impact fee as proposed and the Model Ordinance recommended for municipalities. The Committee will continue to communicate the most updated information to our municipalities.

The Planning and Government Committee has focused on a few key points:

Information for Municipalities--- PA State Association of Township Supervisors (PSATS) should play a greater role on behalf of Pennsylvania Townships in regard to Marcellus Shale activities in the state. This would include but not be limited to: timely information and outreach to member municipalities on the current critical issues of concern particularly legislation related to natural gas activities; and lobbying efforts which are in line with the consensus of municipal members who are affected by the NG activities.

production and infrastructure project sites. If an impact fee or severance tax is enacted a portion of these funds should go to Conservation Districts for administration of the program.

Municipal Zoning Powers and Model Ordinance Provisions - Regulation of NG drilling and associated facilities must be founded on the goal of protecting the health, safety and welfare of all community residents including such things as protection from harmful side effects of drilling operations and safeguarding property values. Any proposed legislation should not further pre-empt the powers of our local municipal governments to safeguard its citizens. Oppose any statutory prohibitions on the use of zoning to manage all types of development and resource extraction through zoning districts and conditional and special exception approval mechanisms. The right to zone has been provided to the municipalities through authorizing legislation – PA Municipalities Planning Code.

Impact Fee - A “dollars and cents” analysis as to what the proposed impact fee would mean to individual municipalities in host areas based on one well per year and per 10 years needs to be developed. Include in this analysis realistic information on any statutory requirements that gas companies would need to continue RMA (road maintenance agreement) payments above and beyond the impact fee. Additionally, information on how other states handle impact fees should be part of the analysis. Based on this analysis either support the enactment of an impact fee OR Reject the impact fee.

If an impact fee is legislated (hopefully it will be more than all of the proposed amounts presented to date), support a County levy and administration of the fee with a consistent across the board levy statewide (do not leave the amount of the levy optional for counties to decide). Support the state’s development of administrative standards to be used for implementation of the impact fee levy in each county consistently. Encourage the inclusion of counties who have major pipeline upgrade projects in relation to getting Marcellus Shale gas to market be included in any legislation related to natural gas impact fee or tax.

NOTE: The Pike County Marcellus Shale Task Force Planning and Government Committee has representation from all of Pike County’s thirteen municipalities. The main focus of the Committee has been to bring municipal concerns and issues to the table for discussion and then develop action items which are a consensus of the municipalities represented.