

Town of Bristol
Focus Panel
May 2, 2012

Members Attending: Nate Harvey, Scott Battle, Lon Chase, Tom Stevens, Jude Ellis, and Judi Taylor Salzburg, and Secretary Sandy Riker

Review of April 27th trip to Mansfield, Lawrenceville area of Pennsylvania, joining the entire focus panel was Town Councilman Al Favro. We took two autos and divided the group into two. In one car were Scott Battle, Nate Harvey, Lon Chase and Sandy Riker and in the other were Jude Ellis, Tom Stevens, Judi Salzburg, and Councilman Favro.

First Stop: The new convenience store right over the border in Lawrenceville that had a very large truck parking area behind it. In the parking lot was a very large truck with a drilling rig on it. What was interesting at the stop was the sign on the front door that stated the "Water was not Potable" so do not drink, wash face, etc. When we asked the clerk why the water was not potable, she replied there is too much salt in it and they will be putting in a reverse osmosis system to handle the problem. We asked if this was normal, and she said she had lived in the area all her life and was not aware of the salt problem anywhere else. She said she was told there is a salt vein under the area where the truck stop is located. We asked if the problem could have been caused as a result of Fracking. She said she did not know this for a fact, leaving it inconclusive as to why they have a salt problem.

Mansfield: Nate had arranged for us to meet at the Chamber of Commerce so we could obtain some information about the area. We met with a young woman named Dawn who worked in the office there. She was more than willing to share information about the town since the HVHF had begun. She started out by saying the economy of the area has boomed with the arrival of the Gas Industry. There are new hotels being built, restaurants, businesses, etc. are thriving. The store fronts are filled and new tenants are hoping to get space. She mentioned her father-in-law had a large dairy farm where he and his sons have worked long hours with little reward. He leased his land to the oil company and has been rewarded handsomely providing him with an opportunity to enjoy life and hire some help to do the work on the farm. While the growth in the community may not fit all communities, Mansfield sits at the cross roads of two major interstate routes and even after the boom dies down from the Fracking the new growth in the community can be sustained by the exposure Mansfield has gained.

Dawn introduced us to Lindsey Sikorski, the Interim Director for the Marcellus Shale Institute at Mansfield University. She told us the University has partnered with Shell Oil Company to create the Marcellus Shale Institute that will be offering two and four year degree program that **will work with all segments of the gas industry to help meet the educational needs of employees as well as developing academic programs to prepare MU students for careers in the field.*** They already have a course of study " Seatrax Safety Training" that is taught on campus and has trained almost 5000 workers for Shell Oil throughout the U.S. She told us about the programs and the courses that would be offered providing:

1. Develop new academic programs for Mansfield students focused on the expanding shale industry
2. Outreach Programs such as continuing education and certification programs to make for a well trained work force in the region
3. Conduct community education, outreach, and research efforts addressing the diverse topics related to shale gas production

The ladies told us that Pennsylvania has a gas impact tax fee and explained the state gets a portion of the tax on a well and then give the Burroughs a % back to cover the costs involved with having to repair roads and infrastructure effected by the drilling of wells (I have since researched the new proposed law regarding the “impact fee tax” per well and it includes a section that states if a municipality chooses to ban drilling then they will not receive a portion of the fees returned to the Burroughs.)

They went on to tell us that they have gone from being the poorest county in the state to now having the lowest unemployment rate. Lon asked how long does the boom last and what then for their economy and all the new business, and services? They replied that while the actual time the oil company is there may only be as long as 6 years the wells themselves have a life of 50 years providing completion jobs and they hoped the new businesses would open up avenues for the economy to continue to grow and flourish.

When asked what is the down side to all of this, they replied that while property values were up so were the rental rates. Some rents have gone from around \$400 per month to \$800 forcing some locals out of their apartments to make a place for the gas workers. Not all of the people with rental property have taken advantage of this and have refused to rent to gas company employees. Another negative is the increase in the homeless situation but they were quick to say there was a homeless population before the arrival of the gas industry. The difference now is that the Churches and other community groups are stepping in to help the homeless population. They agreed the increase in traffic was bothersome at times. With regard to water they strongly suggested that area people have their wells tested prior to any drilling in the area to establish a base line of knowledge. They told us that the economic engine for Mansfield prior to 2008 was wood & lumber, agriculture (which is not very good) and the health industry.

They also mentioned other areas of the state that were involved with the boom from the Shale development, Pittsburgh has a Cracker Plant (where wet and dry gas are separated), Blossburg has a Waste Water Treatment Plant for Hydrofracking as does Pittsburgh and we later found out that there will be another in Lawrenceville. The girls told us where the Shell Headquarters was located and suggested we go there to get more information on where we might see pre-production areas, production area, and completed well sites.

We thanked the girls for their time and agreed that it appears to be a good fit for Mansfield and the gas industry.

Touring the area- we traveled some dirt and poorly paved roads to visit well sites and the group took many pictures and films to be shared at a later date. At the Shell Headquarters we found two office people who advised us that Friday is a slow day and most had taken the day off. They did send us in the direction of various areas of operation. We took a lunch break in Wellsboro at a real sterling diner, while there we observed a lot of traffic and watched one

very, very large truck negotiate a turn, it was quite impressive and without incident. After lunch the groups split up: Nate's group went to Lawrenceville to speak with the head of the EMS department of the Lawrenceville fire department and Tom's group went off in search of more wells and truck activity.

Lawrenceville: We took route 328 from Wellsboro to Lawrenceville and on the way passed a railroad siding where there was a long line of rail cars that obviously contained sand for the drilling process. It looked very fine and white like child's play sand. We also passed an area of the Tioga River where a water truck was filling up directly out of the river.

When we got to the Fire House we were greeted by Greg Button, head of the EMS dept. Brad Hackett the 911 Coordinator for the County, and Burrough President Jack Young. Greg said the town has had an increase in traffic accidents since 2008 when the gas industry came in but most of them involved town's people who become impatient driving behind the trucks and do unsafe passing resulting in an accident. He cited an accident involving two vans when the drilling first started, he said when they responded to the call the first vehicle had a number of Mexican workers who did not speak English making it difficult to help them and the second van had left the area but came back and it also had a number of non- English speaking people. He went on to say that was only one problem and it has not happened since then. We asked Brad for a County perspective and he said that the towns where alcohol is permitted has had an increase in DUI's due to the long hours and long stretches of time off the many workers have. They typically work 14 days on with hours as long as 14 hours a day and then will have 14 days off.

We asked Jack Young about the water being pumped out of the river and he told us the Burrough sells the water to the gas company and allows them to draw from the river. Scott asked what happens when the river runs dry; Jack said that won't happen because when a certain level is reached they must go elsewhere for their water. He said that the river had been unkind to the town with flooding and such and he thought it was nice that the town could get something back from the river. He told us about the proposed Waste Water Treatment Plant to be built and said the Council had negotiated a very good deal for the town. The proceeds from that facility would provide for such things as the ability to rebuild the police department, roads, and infrastructure and contribute to schools in the town without having to raise taxes. His advice to us "was do not think about if the industry is coming but when "and be ready to negotiate with them for your compensation, they have the money and are not afraid to share it with the communities they are working in. The Companies want to have a good relationship with the communities.

Tom's group said they had found two working wells in the town of Covington and spoke with the check point person at one of the sites. She was a Mother of 5 who gave up her management job to work for the oil company as a check point guard. She said the income was greater than what she was previously making and knowing the company would be moving on was working as many hours as she could to build up a savings. She told them her husband was a logger and his business was booming. His company is part of the pre -production process clearing the land where the pads for the wells will be placed. She told them the gas company (Shell) was treating the communities favorably and were doing all they could to putting the

roads back in shape or better after they are done in an area. This was contrary to what we drove around on but we don't know how bad those roads were before the gas industry came into town. All in all she was very positive of the shale industry.

When asked the down side she indicated that the truck traffic was a problem in that there were a lot of them and they do work around the clock. She told them she lives 8 miles from the well site they were at and it takes her a half hour to get to work. She was unhappy that the Pa. Gov't was not providing a portion of the tax collected per well directly to the schools in the region and due to the previous high unemployment in the area they were looking to consolidating school districts which she did not please her. Tom said they observed the Fracking sites were maintained by many crews for safety, water, drilling, etc. and there are check points set up for all with a speed limit of only 5 mph at the sites.

When we met on Wednesday evening 5/2 the trip was reviewed and discussed. Judy said she felt the beautiful country side that we went through has been assaulted by the heavy industry involved with HVHF and thought the well sites were eyesores. Tom commented it was not worse than a working farm which we do have in our community. It was agreed that the people in the towns we talked with were positive about their experience with the shale gas industry but some of our group still questioned if it is right for our town.

****News Archives article-Mansfield University Creates Marcellus Shale Institute praised by Governor Corbett***

Future topics- We will be looking at the Comprehensive Plan of 2007 for review. Scott will be researching the mortgage lending practices with regard to drilling leases. The next meeting will be on May 11th.

Respectfully submitted,

Sandy Riker
Focus Panel Secretary