

Town of Bristol

Focus Panel

September 26, 2012

Members Present: Chairman Nate Harvey, Tom Stevens, Scott Battle, Jude Ellis, Lon Chase, Judi Salsburg Taylor, and Secretary Sandra Riker

The purpose of this meeting is the presentation of the information that the Focus Panel has accumulated since its inception in February of 2012. The charge of the Focus Panel is to objectively study available materials, review potential positive and negative impacts on the community, and make recommendations to the Town and Planning Boards for future zoning regulations as it permits to the current industry

The Panel was pleased to host our meeting in the Bristol Volunteer Fire Department Hall on Route 64. Thank you to them for the help in providing a place for our presentation. We were pleased to have a good turnout of somewhere between 130 and 200 people. We apologize to any of you that had to stand throughout the presentation.

Tom Stevens opened the presentation: The Panel will provide their findings to the Town Board and Planning Board to help them determine the course of action for the Town of Bristol and its residents. The Panel will ask the residents to take a survey regarding the information presented and their comments.

He provided an overview of what HVHF is and how it works as well as the Timeline for SGEIS (State Generic Environmental Impact Study). The study has to be finalized before any drilling can begin in New York State.

He explained the difference between traditional single vertical wells (which are present in Bristol) and Non -traditional HVHF multi pad wells (at present operating in other parts of the country including Pennsylvania and West Virginia).

The other presenters this evening and their topics were:

Nate Harvey with the Economic view

Lon Chase with Land Use issues

Jude Ellis with Truck Traffic concerns

Scott Battle with Water & Housing issues

Judi Salsburg Taylor with the Environmental Impacts & Public Health & Safety issues and the Comprehensive Plan

Nate Harvey with the Economic view:

He cited information regarding job growth and opportunity for businesses that are occurring in Pennsylvania as a result of the HVHF wells. He spoke of increases in rents as there would be an influx of workers to accommodate the industry and the potential for changes in property values both of the land owners where the wells could be placed and to the surrounding properties. There would be an increase to the town expenses in labor hours for the highway dept., code enforcement office and clerical staff as well as administrative and LEGAL expenses as well as law enforcement.

There was mention of the benefit of natural gas as a fuel and how it is being used in automobiles to help reduce pollution in areas of large population.

HVHF wells would provide an Ad Valorem Tax based on the production per each well. He showed how this might affect Bristol based on their tax rolls of 2012. The fact that the amount of revenue would vary based on demand and fluctuate over the life of a well makes it necessary to use it wisely by the Town and not to considerate it as a source of budget balancing. The state could also see direct receipts for the lease of state lands for drilling.

Lon Chase with Land Use issues

Lon provided a map showing the areas where HVHF would be prohibited. This map can be found on the DEC website under Energy and Climate, Oil and Gas, Revised Draft SGEIS map of prohibited drilling areas. The drilling area would include counties and towns where the Marcellus Shale layer was deeper than 2000'. Bristol falls north of the no drill line. He pointed out the restriction if drilling were allowed per the Draft SGEIS are: no drilling within 500' of a private well, 2,000' from a public water source, and no drilling within a 100 year flood plain. An additional full SEQRA review would be necessary for any permit application if it were a site sensitive area regarding steep slopes, habitat, etc. He went on to talk about the additional uses for the land other than actual drilling sites if it were allowed that included road development to the well pad, pipelines, storage of equipment, trucks, materials, water storage, etc.

Jude Ellis with Truck Traffic concerns:

Jude used the Draft SGEIS of 2011 as her source of information. She mentioned the large volume of trucks that are involved with the development and drilling of a single well site. Many of the trucks are very large to accommodate bringing in the drilling rigs, compressors, and large volumes of water necessary for activating a HVHF well. The water tankers alone can cause a huge amount of wear and tear on local roads. One water tanker when full =80,000 pounds would be equivalent to 9,000 passenger cars traveling over the same area. Truck traffic occurs 24 hours a day/seven days a week while the well is being established. One well alone would generate a high volume of traffic causing an increase risk to the safety and welfare of the residents and the truck traffic would multiply depending on the number of wells allowed.

Changes in Community Character

- During the development of a well, heavy trucks will significantly outnumber passenger vehicles
- Parking areas will need to be developed and expanded to accommodate large trucks
- In PA, residents have rented their properties for parking transforming open areas into parking lots
- By definition, HVHF is heavy industry.

Scott Battle with Housing & Water Concerns:

Housing & Property values

- Properties with productive wells could increase significantly in value if mineral rights and land are sold together. These same properties may decline in value when production wanes
- Properties “away” from drilling may also see an increase in value while shortages occur
- Rental property owners will likely have increased rental revenue while development occurs (Focus panel Mansfield PA)
- Property Taxes have remained stable in PA
- Many areas have seen rapid development to accommodate population increases and has changed the character of some communities

Housing & Property values

- Rents can increase dramatically. Some local citizens can't afford rent increases and have been “priced” out of their homes (Focus Panel, Mansfield PA)
- Some regions have resorted to “man camps” for housing (Watford City, ND)
- Properties adjacent to development (2.5 mi radius) are likely to decrease in value. Property values fell 4%-16% depending on intensity of nearby industry activities. (sgeis page 6-252)
- If a major spill/accident occurs, values could plummet (www.npr.org/2012/08/28/160128351/methane-making-an-appearance-in-pa-water-supplies)
- Leased property values may decrease when mineral rights are separated. Leases give gas companies surface access to well sites that are long lasting (can be multi-generational) & can change the layout of the property (pipelines, access roads ,etc.) (Lease agreement offered to a Bristol resident)

Scott mentioned the large number of workers that would be involved with HVHF and said this could cause an increase housing shortages and rapid development causing a change in property values. This will have a mixed impact on real estate values...some properties may increase while others decline in value. He cited the Pennsylvania Credit Union Association as saying:

Housing: values & community character

“As the highest and best use of properties in a mineral rich area transitions from residential to land available for mineral extraction, which is ultimately an industrial use, the entire market area is impacted. Buyers and sellers begin to look at the value of their properties in terms of their income potential, and the influx of heavy industrial activity can dramatically affect the overall character of residential and rural areas”...

The Pennsylvania Credit Union Association 10/14/2011

From Lon's part of the presentation:

More Land Use Info.

- Leased land may be tied up for generations per gas company's needs
- Lease is binding for duration of well production
- Site surface reclamation about 1-2 acres during production
- Well would be blocked by cement or manufactured blocks and cut off / capped and plugged below surface (Cabot)
- Compulsory Integration: If a company acquires 60% of a square mile, it can automatically drill under the remaining 40% regardless of owners' approval

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Scott commented with regard to mortgages and homeowner insurance it is wise to check with the lender and insurance company before signing any leases. He mentioned that according to the Ontario County Clerk's office 9 leases have been signed in the town since 2010. Compulsory Integration may affect Bristol property owners not wishing to participate in drilling. An additional concern is that future economic development of lands in Bristol may be inhibited on or near gas wells and pipelines.

Fresh Water-

The amount of water used in fracturing a one HVHF well is between 3 and 6 million gallons based on the NYS DSGEIS. The source of this water is determined by the DEC, the SRBC (Susquehanna River Basin Commission), and the DRBC (Delaware River Basin Commission). The water is hauled to a site by large trucks so they will try to make use of a fresh water source as close as possible to the well site.

With regard to aquifer protection the DEC will have the primary role in requiring and monitoring baseline water quality testing for neighboring water wells to a drill site.

Used Water-

The "flowback" water created when a well is fractured represents about 30% of what is put in originally, 20% in the beginning and 10% over the life span of the well. The "flowback" water contains drilling mud, chemicals used to fracture the well and new chemicals from reactions that occur deep in the ground. This water is treated to remove the solids and chemicals before it can be reused. At present there are no local water treatment plants that are equipped to handle this process. The larger oil companies have now instituted using reclamation companies that will set up operations in the center of an area being drilled reducing the need for large numbers of trucks traveling long distances with the flowback water. They are able to reclaim the water to a level that is acceptable for use in drilling new wells, thereby reducing the amount of additional fresh water needed. At the writing of the Draft SGEIS the amount of fresh water needed is still 80-90%.

Judi Salsburg Taylor for Environment, Public Health and Safety: the Comprehensive Plan of the Town of Bristol:

She focused on the Town of Bristol and the Comprehensive Plan adopted in 2007 by the Town.

She pointed out that the DEC of NYS is equivalent to the DEP (Department of Environmental Protection) for the state of Pennsylvania. She cited 3,335 violations having been documented in Pa. from 1/2008-12/31/11 by the DEP with regard to HVHF wells; 70% of those violations have a direct impact on the environment. Additionally, the SGEIS reports noise and light pollution from traffic, heavy equipment operations, and other machinery associated with heavy industry that operates 24 hours per day, seven days a week.

With regard to Public Health, she explained that there has been no independent, systematic, evidence-based medical study on the impact of fluid and methane migration on humans. Reports from areas

where high volume hydrofracking has occurred includes damage to kidneys, heart, brain, GI areas, nervous system, disruption of endocrine function, skin and eye problems, cardiovascular system and other illnesses.

Public Safety deserves consideration with regard to the increase in traffic and people as well as how the County will handle any possible disastrous situations arising from HVHF. She referred to a memo she received from Jeff Harloff at the Ontario County Emergency Management Office stating there was not a specific plan in place at present regarding HVHF, Ontario County does have a HAZMAT response team. Ontario County does not have additional funding for high-volume hydrofracking accidents.

Bristol's Comprehensive Plan is a guiding document for local laws and must be translated into zoning laws, budget allocations, and other actions having the force of law. Goals and Outcomes from Bristol's Comprehensive Plan were presented regarding: Conservation, Open Space, and Environmental Protection; Community Character; Agriculture; Growth Management; Tourism; Economic Development; and Transportation/Infrastructure. The Comprehensive Plan as written does not allow for Heavy Industry in the town of Bristol. She pointed out that as defined in the Draft SGEIS HVHF is indeed Heavy Industry.

Nate Harvey-Local Tools available for Bristol with regard to HVHF:

BAN

Moratorium: We already have one in place as of June 1st, 2012 for a period of one year and it may be extend if more time is needed to prepare for the possibility of HVHF being permitted in NYS.

Comprehensive Plan

SEQRA-A more in depth revised NYS procedure to be introduced in the near future.

Zoning-Where defined activities are allowed.

Site Plan Review for individual wells and their restoration

Subdivision Review

Building Permits

Community Benefit Agreements that are legally binding to both parties and can include roads, temporary housing, sight and sound pollution containment.

Host Agreements

Road Use Agreements including Secure Restoration Funds and the recovery plan defined.

Road Management with Posted Weight Limits, Permits: A Transportation Plan by the Contractor must meet DEC and NYSDOT (New York State Department of Transportation) demands. These plans are

required with each permit application to the DEC and include: the number of trucks, hours of operation, truck routes, location of parking and staging areas.

Additional Comment:

The focus panel would like to clarify a section of the presentation...We originally reported that there have been 9 leases signed since 2010. While that figure is accurate, we want to be clear that these are not the only leases in Bristol. We reported specifically on these “recent” leases, because they were signed during the High Volume Hydrofracking (HVHF) era, and demonstrate that there has been at least some interest in drilling within the town...It was not intended to single out leaseholders in any way. It is important to note that there are many older leases in Bristol. Due to the fact that HVHF is a relatively new technique, older leases would not reference it, and could come into play as well. The county archives are only computerized through 1972, which makes finding leases prior to that date quite difficult. Further, both properties and the companies holding leases have been bought and sold over time making some of the records inaccurate. Although we don’t have an exact number, it is possible that scope in Bristol could be significant. Therefore the focus panel will continue to explore options that are available to the town.

Respectfully submitted,

Sandra Riker

Town of Bristol Focus Panel