

**MINUTES  
WIR BOARD OF DIRECTORS  
SUMMER MEETING  
PITTSBURGH, PA  
JULY 13, 2012**

WIR President, Commissioner Selby called the meeting to order, and welcomed the Board to Allegheny County, PA. [1:10]

Commissioner Walter called the roll. Members present were: [1:15]

- Alaska:  
Hon. Jerome Selby, Kodiak Island Borough
- Arizona:
- California:  
Hon. Brian Dahle, Supervisor, Lassen County  
Hon. David Finigan, Supervisor, Del Norte County
- Colorado:  
Hon. John Martin, Commissioner, Garfield County  
Hon. George Wilkinson, Commissioner, Alamosa County
- Hawai'i:  
Hon. K. Angel Pilago, Hawaii County, HI
- Idaho:  
Hon. R. E. Cope, Commissioner, Lemhi County  
Hon. Gordon Cruickshank, Commissioner, Valley County
- Montana:  
Hon. Lesley Robinson, Commissioner, Phillips County  
Hon. Mike Murray, Commissioner, Lewis and Clark County
- Nevada:  
Hon. Tom Fransway, Commissioner, Humboldt County  
Hon. Lorinda Wichman, Nye County, NV
- New Mexico:  
Hon. Robert Anaya, Santa Fe County, NM
- North Dakota:
- Oregon:  
Hon. Tim Josi, Commissioner, Tillamook County  
Hon. Dan Joyce, Commissioner, Malheur County
- South Dakota:  
Hon. Clint Farlee, Commissioner, Ziebach County
- Utah:  
Hon. Alan Gardner, Commissioner, Washington County  
Hon. Daron Smith, Commissioner, Millard County
- Washington:
- Wyoming:

Ex officio board members, and staff present were: Brent Gardner, Utah Association of Counties, Daniel Chadwick, Idaho Association of Counties; Eric Johnson, Washington State Association of Counties; Harold Blattie, Montana Association of Counties; Paul Gutierrez, New Mexico Association of Counties; Karen Keene, California State Association of Counties, Patricia Megason, Regional Council of Rural Counties, Wes Henderson, Nevada Association of Counties, Craig Sullivan, County Supervisors Association of Arizona; Mike McArthur, Association of Oregon Counties, Chip Taylor, Colorado Counties Inc., Kathie Wasserman, Alaska Municipal League, Mark Johnson, North Dakota Association of Counties, and Ryan Yates, NACo.

Representative GT Thompson (R-PA), Chairman House Subcommittee on Conservation, Energy, and Forestry [1:20]

- Enjoys working with County officials, especially rural county officials. 5<sup>th</sup> district is primarily rural, and 23% of PA population.
- Western PA has many similar challenges that exist in counties in the west.
- Plentiful natural resources: coal, oil, shale, gas. Agriculture is the #1 industry
- Allegheny national forest has the most valuable hardwood stands in the United States
- Western PA has been drilling since 1859
- PILT and SRS programs will not be the answer moving forward
  - Need to actively manage lands to create revenues
  - PILT and SRS will likely be extended in the transportation bill for 1 year
- Marcellus shale
  - 100K jobs from production on Marcellus shale. Unemployment below state and national averages in areas with Marcellus deposits
- On environmental regulations, he believes the state should be the primary regulating agency
  - PA does a great job
- In 2008 - \$12 gas, in 2012 - \$3 gas
- Low gas prices are driving businesses to invest in PA
- House Agriculture Committee passed farm bill out of committee
  - Late august congress could pass bill nad go to conference committee
  - We must live within our means
  - \$24 billion in cuts in federal spending
  - Forest Products Fairness Act is included in draft
- Next steps
  - Amend EAJA
  - Request federal land management agencies increase harvest levels on federal lands. Expand innovation and work with industry to expand forest products
- Q: Waters of the US
- A: Wishes Ag Committee had jurisdiction. This is a very big problem. We don't need government overreach on our private lands. This sets the stage for radical environmental lawsuits.
- Q: Can you address the need for longer term stewardship contracts?
- A: Will be working on the issue with the House Natural Resources Committee

Dan Ashe, Director, U.S. Fish and Wildlife Service [1:55]

- Manage 150 million acres of the national wildlife system, manage ESA, Migratory Bird Treaty Act, fisheries management, 230 law enforcement officers nationwide
- On ESA, look for cooperative ways to conserve species, work with agencies, citizens, and businesses on species management
- Worked with oil / gas industry on the Sand Dune Lizard listing. Voluntary conservation framework created which led to the species not being warranted for listing.
- Lessor prairie chicken and sage grouse are big species of concern. Want to use success of sand dune lizard as example on these species.
- Delisted gray wolf in ID and Great Lakes. Proposed delisting of wolf in WY later this year
- Goal of keeping working lands while managing for species.

Jess Brown, Carollo Engineers – Perchlorate and Nitrate treatments [2:25]

- **Nitrate is one of the most common groundwater contaminants in the U.S.**
  - Estimates show that as many as 57% of domestic water wells in the U.S. are contaminated by nitrates
  - Study just released by the USGS showed that 45% of the wells they tested contained nitrate (932 wells, 30 principal aquifers). 60% contained VOCs.
- Carollo developed a new process (patent-pending) to treat **oxidant-laden** residuals. Developed the idea through an AwwaRF project, pilot tested it through an EPA grant. The process is now moving to full-scale at the Magna Water District (Utah). Magna Water District

just received the US EPA's State Drinking Water State Revolving Fund Award for its proposed EDR/BIOBROx plant (Carollo design). Construction to start later this year.

- **Biological treatment addresses many limitations**
  - Contaminants are destroyed, not concentrated
  - Independent of raw water quality and treatment goals (doesn't matter how low a limit is set)
  - Process is green (low energy, minimal waste)
  - Simple, automated operation (applies to urban or rural settings)
  - Low O&M costs

Eleanor Blume, Consumer Financial Protection Bureau [2:38]

- The central mission of the Consumer Financial Protection Bureau (CFPB) is to make markets for consumer financial products and services work for Americans — whether they are applying for a mortgage, choosing among credit cards, or using any number of other consumer financial products.
- Educate - An informed consumer is the first line of defense against abusive practices.
- Enforce - Like a neighborhood cop on the beat, the CFPB supervises banks, credit unions, and other financial companies, and we will enforce Federal consumer financial laws
- Study - The consumer bureau gathers and analyzes available information to better understand consumers, financial services providers, and consumer financial markets.
- Congress established the CFPB to protect consumers by carrying out Federal consumer financial laws. Among other things, we:
  - Conduct rule-making, supervision, and enforcement for Federal consumer financial protection laws
  - Restrict unfair, deceptive, or abusive acts or practices
  - Take consumer complaints
  - Promote financial education
  - Research consumer behavior
  - Monitor financial markets for new risks to consumers
  - Enforce laws that outlaw discrimination and other unfair treatment in consumer finance
- The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) established the consumer bureau. In January of 2012, President Obama appointed Rich Cordray to be the first Director of the CFPB.
- For more information please visit <http://www.consumerfinance.gov/>

Bill Stewart, Keystone Energy Forum [2:47]

- **KEF IS A PROGRAM OF THE 2 MAJOR O&G TRADE ASSOCIATIONS**
- SINCE 1924 THE AMERICAN PETROLEUM INSTITUTE HAS BEEN THE INTERNATIONALLY RECOGNIZED SOURCE FOR STANDARDS AND BEST PRACTICES IN ALL FACETS OF OIL & GAS EXPLORATION AND DEVELOPMENT. IT WAS ORIGINALLY FORMED FOR JUST THAT PURPOSE.
- **ONE OF 28 STATE ENERGY FORUMS**
  - **8 in the NACO Western Interstate Region**
- THE ENERGY FORUMS WANT TO BE YOUR RESOURCE FOR FACTUAL INFORMATION ON THE OIL & GAS INDUSTRY
- SUPPORT COMPREHENSIVE STAKEHOLDER INVOLVEMENT
  - LOCAL GOVERNMENTS
  - AGRICULTURE/FARMING GROUPS
  - HUNTING,FISHING,& OUTDOOR SPORTS ORGANIZATIONS
  - HOUSING AGENCIES
  - CHAMBERS OF COMMERCE
  - ENVIRONMENTAL ORGANIZATIONS
  - LANDOWNER/LEASEES
  - EDUCATIONAL INSTITUTIONS
- CONCERNS WERE ADDRESSED
  - LOCAL GOVERNMENTS RECEIVED AN IMPACT FEE (ACT 13)

- OIL & GAS ACT WAS UPDATED TO MATCH THE HORIZONTAL DRILLING METHODS
- ENVIRONMENTAL REGULATIONS, FINES, AND BONDING WERE INCREASED
- DISCLOSURE OF CHEMICALS BECAME LAW
- NUMBER OF INSPECTORS TRIPLED
- COMMUNICATION BETWEEN DRILLERS, CONTRACTORS AND CITIZENRY VASTLY IMPROVED
- **PUBLIC OPINION REMAINS POSITIVE**
  - Extraction of natural gas should be encouraged to decrease reliance on imported energy
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  - 56.4% AGREE
  - 9.3% DISAGREE
  - 34.2% NEUTRAL
  - Negative impacts can be prevented
  - 60.3% AGREE
  - 11.6% DISAGREE
  - 28.1% NEUTRAL
- **OPEN DIALOGUE AND FACT BASED DISCUSSIONS**
  - EXTRAORDINARY COOPERATION FROM INDUSTRY AND THEIR TRADE ASSOCIATIONS
  - STRONG AND AGGRESSIVE LEADERSHIP FROM LOCAL GOV'T
  - A KNOWLEDGEABLE STATE GOVERNMENT WITH AN EXCELLENT ENVIRONMENTAL PROTECTION REPUTATION
  - STAKEHOLDERS WILLING TO PARTICIPATE IN THE DISCUSSIONS
  - A WORLD CLASS UNIVERSITY COMMUNITY /GEOLOGICAL CREDENTIALS
  - HYBERBOLE, ANECDOTE, AND INFLEXIBILITY OF THOSE OPPOSED
- **UNDENIABLE POSITIVE ECONOMIC AND JOB IMPACTS**
  - STUDIES AND EMPIRCAL DATA FROM PENN STATE, API, IHS GLOBAL, PA DEPT OF LABOR, AND OTHERS:
  - 
  - 2008-2011
  - 60,000 TOTAL JOBS ADDED
  - OVER \$6 BILLION IN ADDED LABOR INCOME
  - \$13 BILLION VALUE ADDED OUTPUT (ROYALTIES)
  - \$1.8 BILLION STATE AND LOCAL TAX INCOME
- **ONGOING CHALLENGES AND OPPORTUNITIES**
  - ACT 13 Implementation
  - Need to develop more natural gas usage...trucks, cars, power plants, etc
  - Pipeline infrastructure must catch up
  - Methane migration and private water well regulations (PA and AK have none)
  - **Chance to create a National Energy policy centered on an independent domestic source**
- For more information, contact [www.keystoneenergyforum.com](http://www.keystoneenergyforum.com)

Amanda Clark, NACo – Upcoming RFP process will be rolled out for the 2014 and 2015 WIR Conferences. Information will be forthcoming. [3:15]

David Keene, NACo CFO – Financial report [3:19]

- See Financial report attached to your packet
- 380 attendees in Santa Fe, NM
- \$45K increase in revenue
- NESARC contribution
  - \$5K Contribution for FY2012 approved (Brian Dahle motion, Cope 2<sup>nd</sup>)
- Approve Financial report
  - Moved by Mike Murray, Gordon Cruickshank 2<sup>nd</sup>

Susan Parker Bodine, EPA regulations impacting counties [3:24]

- **Storm Water Regulation Forest Roads**
  - May 2011: *Decker v. Northwest Environmental Defense Center* (9<sup>th</sup> Cir.):
  - EPA's 1976 Silviculture Rule is invalid to the extent that it would consider runoff from logging roads that is collected in channels and ultimately discharged to a navigable water to be a nonpoint source.
  - Runoff from forest roads is storm water associated with an industrial activity and therefore requires an NPDES permit immediately.
  - Dec. 23, 2011 – in the Consolidated Appropriations Act, Congress barred EPA from requiring a permit for forest roads until September 30, 2012.
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  - May 23, 2012 -- EPA published a notice of intent to revise its Phase I storm water regulations to specify that storm water discharges from logging roads are not "associated with industrial activity" and seeking comment on approaches to reduce water quality impacts from such roads through BMPs and stating its intent to evaluate forest roads for potential inclusion in EPA's Phase II storm water regulations, in accordance with section 402(p)(6) of the Clean Water Act.
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  - May 24, 2012 – The Solicitor General filed an amicus brief asking the Supreme Court to deny certiorari of the 9<sup>th</sup> Circuit case, arguing that both Congress and EPA are addressing the issue so the Court should not get involved.
  - June 25, 2012 – The Supreme Court agreed to review the 9<sup>th</sup> Circuit forest roads case.
- **Questions To Be Reviewed by the Supreme Court in Forest Roads Case**
  - Did the Ninth Circuit err when it held that a citizen may bypass judicial review of an NPDES permitting rule under 33 U.S.C. § 1369, and may instead challenge the validity of the rule in a citizen suit to enforce the CWA?
  - Did the Ninth Circuit err when it held that storm water from logging roads is industrial storm water under the CWA and EPS's rules, even though EPA has determined that it is not industrial storm water?
  - Whether the Ninth Circuit should have deferred to EPA's longstanding position that channeled runoff from forest roads does not require a permit, and erred when it mandated that EPA regulate such runoff as industrial storm water subject to NPDES.
- **Draft Waters of the United States Guidance**
  - Released for comment on April 27, 2011, with the stated purpose of expanding Clean Water Act jurisdiction.
  - Over 5000 comments filed.
  - Went to OMB February 21, 2012.
  - OMB review draft leaked; few changes from April 2011 draft.
  - Final Guidance still at OMB; no timetable for guidance or regulations.
- **Concerns**
  - Expansion of the concept of traditional navigable water and interstate water.
  - Adopting "significant nexus" as the basis for federal jurisdiction and applying a test of significance based on cumulative hydrologic or ecological connections to a downstream TNW or a downstream IW from all water bodies in a watershed.
  - Broad interpretation of "tributary" and "adjacency"
  - Failure to reflect limits on federal jurisdiction over isolated waters, notwithstanding the SWANCC Supreme Court decision.

Ryan Yates, Legislative Update [3:40]

Dale Sowards Award presentation – Brian Dahle [3:50]

Jerome Selby, WIR Fall Board Meeting in Kodiak, AK [3:56]

Adjourn [3:58]