BEFORE THE

DELAWARE RIVER BASIN COMMISSION

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IN RE: DRAFT NATURAL GAS REGULATIONS

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BEFORE: ROBERT TUDOR, Hearing Examiner

HEARING: Tuesday, February 22, 2011

6:00 p.m.

LOCATION: Liberty High School

115 Buckley Street

Liberty, NY 12754

WITNESSES: Wayne Marshfield, Gerald Euker, Llana
Hoodes, Carolyn Duke, Lisa Lyons, Meg Montgomery,
Carolyn Price, Aaron Price, Amber Gonzalez, Wes
Gillingham, Allan Scott, Sean Zigmund, Jack Danchak,
Jordan Davis, Tracy Carluccio, Catherine Scott, Jan
London, Harold Roeder, Grace Van Hulsteyn, Nadia
Steinzor, Jill Wiener, Alden Thayer, Harold Yodice,
Van Morrow, Midge Maroni

Reporter: Kenneth D. O'Hearn

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PROCEEDINGS

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(Whereupon, at 1:30 p.m., the Delaware River Basin Commission opened the public hearing at the Liberty High School, 125 Buckley Street, Liberty, New York, with opening remarks by Hearing Examiner Robert Tudor, followed up by a PowerPoint presentation by Chad Pindar. Immediately thereafter, the following commenced:)

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HEARING EXAMINER:

Well, that was intended to be a very cursory overview. The actual rule proposal is about 70 pages long with a lot more detail. In terms of the comment system to date, we have received about 1,200 comments via this electronic Pepsi system and about 300 or 400 comments as separate written letters. So we anticipate that by March 16th we would have thousands of comments in addition to the oral testimony in these six sessions.

So with that said, the procedure we employed in terms of --- on our web page was to allow elected officials to be --- have a first opportunity to speak. And for this session our first speaker would be Wayne Marshfield, a supervisor, town of

1 Hamden. And let me just say in terms of procedure, 2 we'd ask you to come up to the mic and I think the mic is on. And I'll shut mine off. And, you know, state 3 your name, spell your last name, any affiliation. then we have this little timer device here and it will allow for a minute, 50 seconds and a little bell will go off. Actually, it's a big bell. And then we will allow 10 or 15 seconds to kind of wind up your remarks so that we can go on to the next person. Thanks.

MR. MARSHFIELD:

My name is Wayne Marshfield,

M-A-R-S-H-F-I-E-L-D. And I'm representing the town of 12

Hamden and the Delaware County Board of Supervisors. 13

I see natural gas as a financial savior for our 14

county, focusing on our towns outside of the New York 15

City watershed. Delaware County is a poor county, one 16

17 that needs jobs, tax revenues and opportunities for

our residents. Natural gas will provide that much 18

needed economic boost. 19

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In regard to the proposed DRBC draft regulations, the definition of the natural gas development project is far too inclusive encompassing everything from pipeline, to compressor stations to vehicle tire cleaning and dust control on roads. This 25 is totally unacceptable and puts the DRBC in charge of

activities that can and should be regulated by our municipalities. Since when does the DRBC have anything to do with compressor stations or tire cleaning? The project definition should be limited to the water withdrawals and discharges and to those of 100,000 gallons per day or more. We have gone from this common sense threshold to the point where DRBC is seriously proposing to regulate dust control.

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Also the past full requirements reveal the invariant discrimination against natural gas drilling as compared to other uses. The massive fuel requirements on page 39 give a lot of attention to what is a minimal water use and does not take into account the much greater distortions of flow rates related to the New York City withdrawals from the basin. Natural gas is made the lowest priority while out in the basin consumption by New York City has a much greater impact. This is inherently unfair and suggests the DRBC needs to put much more pressure on New York City as a means of securing more water per gas. The city withdrawals are controllable and should be addressed as part of the comprehensive solution to make room for natural gas. And we thank you for this opportunity to comment, and I will leave a couple ---.

HEARING EXAMINER:

All right. Can you get that? Okay. 1 All 2 right. Well, the procedure I'd like to follow is to have like --- to have, you know, the first ten people If you look at the back of your card, you've who ---. got your numbers there who want to speak. Come down and occupy these chairs here on the right so that we can just follow one another in some orderly fashion. So with that I'll call on commenter number one, I don't know who you are, to approach the mic. Oh, he was number one? Commenter number two. Excuse me. 10 messed up already. 11

MR. EUKER:

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My name is Gerald Euker. I live in Callicoon, New York.

HEARING EXAMINER:

Gerald, could you spell your last name?

MR. EUKER:

E-U-K-E-R. I've lived in the Upper Delaware River Valley for my whole life. I have witnessed the gradual decline of agricultural industry 21 and once bustling hamlets and villages struggle with vacant storefronts. Our schools are closing as 23 enrollment declines and our youth are leaving because of the lack of jobs. The recent recession has made 25 the situation even worse. We now have an opportunity

1 to turn it all around with natural gas, an industry 2 already creating tremendous economic advancements in Pennsylvania and other states. Drilling is already 3 safely taking place in many other watersheds under regulations developed by the states and other commissions such as the Susquehanna River Basin Commission.

The draft DRBC regulations are flawed and These regulations in current form must be corrected. 10 | will deprive us of the best opportunity we have to turn things around economically. They must be revised 12 to reflect the balance intended by the compact which says the government, employment, industry and economic development of the entire region and the health, safety and general welfare of its management of the population are and will continue to be vitally affected by the use, conservation, management and control of the water and related resources of the Delaware River Basin.

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The economic part of the mission has been totally ignored by the draft regulations. standards they set make the drilling for natural gas It is obvious from renewing the 23 nearly impossible. regulations that the DRBC doesn't have a clue as to 25 what it's doing and therefore should act as an

intricate party leaving the regulations up to the 1 states. When we look at the events unfolding in North Africa and the Middle East it becomes even more important to develop workable regulations which will allow the safe development of the natural gas industry and will take us further down the road toward energy independence and national security. Thank you.

HEARING EXAMINER:

Thank you. Commenter number three.

MS. HOODES:

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My name is Llana Hoodes, H-O-O-D-E-S, representing the Northeast Organic Farming Association of New York. Most of New York's members include organic farmers, ranchers, food processors, distributors, wholesalers, retailers, organic seed and farm equipment, and input merchants, organic gardeners and consumers who value the choice to purchase organic food in the marketplace.

NOFA New York has adopted a policy that the federal government should end the exemption of 21 hydraulic fracturing in the Safe Water Drinking Act and the prior public listing of all chemicals used in hydraulic fracturing fluid. We also support the EPA taking the time to do a comprehensive study of the effects of hydrofracking on water quality. We believe 1 that DRBC is issuing regulations prematurely in advance of an EPA study and in advance of a full accounting of the chemicals used in hydrofracking.

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Organic farmers, who are numerous in the region, engage in sustainable land use practices that conserve water quality may well be driven out of business if hydrofracking is allowed in the basin. Consumer groups have already warned that they will institute preferential buying practices favoring organic farmers in regions where hydrofracking is not taking place. NOFA New York members believe that hydrofracking is not compatible land use in areas where organic farming is practiced. Organic agriculture is an existing, rapidly growing, sustainable industry that can provide economic and environmental services to our region if you do your jobs and protect the waters and soils of the basin.

DRBC proposed regulations, in addition to incorporating information from EPA study on water quality impacts should also include a comprehensive cumulative impact assessment, including impacts on human and domestic animal health of all gas wells, not limit impact assessment to one well at a time. should fully disclose to the public complete lists of the chemicals to be used in fracking fluids.

1 should mandate a practical plan for tracking and dispose of all wastewater, inclusive of fracking 2 fluids and radioactive waste generated by fracking. 3 And they should demand that all expenses to the DRBC or county, local governments be born by the gas companies, including to provide road regulatory and 6 other services to implement the development of gas wells and all mandated water monitoring and testing costs.

HEARING EXAMINER:

Thank you.

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MS. HOODES:

Thank you.

HEARING EXAMINER:

Commenter number four. No number four. You sure? Check the back of your little registration form because we're just going to number five. right. Number five.

MS. DUKE:

My name is Carolyn Duke. I am a potter and a small business owner in Sullivan County. speaking today on behalf of many of the small business owners who have recently moved full time to Sullivan County and are willing to take on the financial risk 25 of opening a small business in this county.

My husband, two sons, and I decided to make our weekend summer home a full-time residence in 1992. For us, this was a complete leap of faith. Sullivan County at that time was still in its downward spiral from the --- large hotel days, and most people we talked to had a constant negative song about nothing good could ever happen here. Sullivan County had seen its boom and now we were definitely in the bust. But we stayed.

And like so many who also decided to stay, in order to find work, we had to invent our own jobs. I opened a pottery studio with an art gallery and gift shop in our barn where I would sell my work and also feature the work and products of many of the county's artists, crafters, and farmers. My husband opened a photography studio and full-time recording studio, the only one in Sullivan County to my knowledge. We have connected with our public radio stations and other local music groups to offer our space for concerts open to the public.

We're not the only family with a story.

Others followed and took the same risks. We wanted to live in a rural community surrounded by an amazingly beautiful landscape and take our chances that economically the county would improve. Now we are

part of an eclectic network of new businesses, who by the local board, is one of the fastest growing industries in the United States, people buying local 3 products from local farmers and local producers. are not working in Sullivan County because it makes us rich. We are here because we love what we do and we believe in where we live.

All of this is going to come crashing down if we're not careful in how we proceed with 10 natural gas drilling. People aren't going to live here if they don't have access to clean water. quote Betsey Howell, executive director of the Central Pennsylvania Convention and Visitors Bureau, there is the potential that gas drilling ---

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MS. DUKE:

--- will damage the environment, and hurting the environment hurts tourism. I live in Roscoe, New York, Trout Town, U.S.A. Industry officials insist the drilling process, if performed correctly, poses no risk to the environment. Even a major disaster, the cumulative effect to monitor environmental violations could negatively affect These regulations are premature and quality of water. inadequately address the potential pollution and

devastation that could result from the dangerous practice of hydrofracking. The people living and working in this area deserve better. Thank you.

HEARING EXAMINER:

Thank you.

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MS. LYONS:

Hi. Good afternoon. My name's Lisa Lyons, L-Y-O-N-S. I live in Livingston Manor, New York, where I am a small business owner. 10 | background is 12 years' experience in New York City government and five years with the National Park 12 Service which thankfully I believe gave me a little broader point of view and a little bit of practice at 14 making decisions.

I didn't write any comments because I figured I might learn something here that would help me make a better comment, and I think that was seeing the map at the beginning of the presentation. contacted Clara Rosenberger probably six years ago to get a copy of that map. We live at the headwaters of that beautiful watershed and my goal in having that map was to teach other people how things are all So few people know what watershed --- in connected. 24 all the area we were at. My understanding of the 25 DRBC's role is that you're charged with a decisionmaking on the part of many, many people and many interests.

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3 And my point today is that --- get the good facts that help you make the decisions. some important facts that are missing. I see no reason whatsoever to share change, whether it's water, 7 land or air quality by not waiting for better information. So that really is all I want to say today.

I have other points I could make today, but that's what I would like to make today. Thank you.

HEARING EXAMINER:

Thank you.

MS. MONTGOMERY:

My name is Meg Montgomery,

M - O - N - T - G - O - M - E - R - Y. I'm a resident of Liberty, and the author of the song Frack Tack. To anyone who cares at all for facts, there's a mountain of proven testimony that illustrates beyond a shadow of a doubt 21 how insanely dangerous hydrofracking is to our water, to our environment and to our very way of life.

Hydrofracking is a weapon of mass It's just one WMD in a much larger war destruction. 25 of the democratic process and the people of this great

The economic purpose of hydrofracking is to country. 1 funnel trillions of dollars into the hands of the 2 plutofracks (phonetic) who do not pay taxes. political purpose is to destroy the health and livelihoods of those who live in its range, rendering 5 them either powerless or dead. This is the express purpose of the Halliburton loophole. In a time when we have the technology to quickly and safely transition to a renewable economy, instead we are battered by the blind greed of the two percent who 10 want to squeeze every last drop of fossil fuel out of 11 the ground, every last penny out of our pockets and to 12 destroy the Constitutional liberties. 13

If you, the members of the DRBC, pave the way for hydrofracking in the Delaware River, which supplies drinking water to almost 20 million people in New York, New Jersey and Pennsylvania, you will be willing accomplices to a terrorist attack, the likes of which this country has never seen.

HEARING EXAMINER:

Okay. I think we're looking for commenter number eight. And then at this point in time I'd like commenters 11 through 20 to occupy the seats up here, please.

MS. PRICE:

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My name is Carolyn Price. I'm from the Town of Windsor in Broome County. It is really very important that we develop natural gas because we must get off using coal to protect our environment. Sunday, I had the opportunity to attend a wonderful debate at Sydney Portland (phonetic) with two professors. One professor from Syracuse that was very supportive of natural gas drilling and a professor from Cornell that has great reservations. It was an excellent debate.

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But there were some things they agreed on. And one thing they agreed on that there is no energy that doesn't have risk. They also agreed that we must get off using coal. They said that we must work toward feeding our grids with nuclear, hydro, natural gas, wind and solar. And they were very united in feeling we had to move in that direction.

Yes, we need natural gas. And I looked at your vision statement, and it's very well written. The thing I'd like to point out is that you mention that you will integrate environmental and economic need. And I believe speaker two said he didn't see much about the economic emphasis. So as you develop these regulations, I think you need to bring that in 25 because that's in your vision statement.

And also, you said you will base decisions on sound science, and that is really needed because people have been bombarded through the media with internet, television, radio, newspapers with information that is often misleading and sometimes false. This has ---

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MS. PRICE:

--- instilled fears about natural gas development that are not based on science but based on 11 | Hollywood hype and political maneuvering. I wish you 12 well as you continue to develop your regulations relating to natural gas. We really need it. 14 you.

HEARING EXAMINER:

Thank you. Commenter number nine.

MR. PRICE:

My name is Aaron Price. A-A-R-O-N, And I'm from Windsor, New York. 19 | P-R-I-C-E. regulations on gas drilling being considered will not 21 protect a single lake from acid rain. The regulations 22 being considered will not clear our skies of greenhouse gases or remove mercury from a fisherman's The regulations being considered will not help catch. 25 to reduce our reliance on foreign oil. Quite the

opposite.

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These regulations will steer us off of the course of sustainable and affordable energy by ensuring that coal continues to be burned in everincreasing amounts. The power to regulate can be the power to conserve. It can also be the power to destroy.

As the Commission finalizes its rules, I ask you to carefully consider the impacts of your 10 rules on this important clean, domestic fuel supply. As the Commission writes the regulations that will govern gas drilling in the Delaware River Basin, please remember that dozens of pages of rules are not the solution for developing the energy of tomorrow. What is needed is a commitment to a healthy balance of growth and environmental care, an informed and reasonable collaboration by lawmakers, residents and experts to prepare for natural gas' growing role.

Not only do we as citizens have a right to clean air and clean water, we have a right to I urge the Delaware River Basin cleaner energy. Commission to provide regulations that make the development of the Marcellus Shale possible for us all. Thank you.

HEARING EXAMINER:

Thank you. Commenter number ten.

MS. GONZALEZ:

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My name is Amber Gonzalez,

G-O-N-Z-A-L-E-Z. And I go to New York Law School and I work for Domestic Citizens. If the DRBC regulations 5 are promulgated as proposed, they could present issues 6 7 of regulatory taking under the New York Constitution and Eminent Domain procedural. The surrounding properties close to drilling activities are not under any useful agreements for mineral extraction can be so 10 adversely affected by the drilling as to constitute a 11 government taking for public use without just 12 compensation. 13

The public use requirement is to ensure that a governmental action promotes the common good purpose that is arguable here. The documented experience well known has already exposed to gas drilling in other areas such as well blowouts and explosions, water and ground contamination, water flow destruction, depletion, air pollution, geological impacts and health problems for both humans and animals taken cumulatively or separately to constitute a regulatory taking.

The regulations provide financial 25 assurance only for the gas well sites themselves and

only up to a limited amount that may be reduced as the executive director sees fit. The regulations are not 2 comprehensive enough to address the property rights of 3 surrounding landowners or to protect the surrounding environmental landscape from degradation in all forms stemming from gas drilling. If these properties are 6 deemed by the courts open to economic use or as having a permitted physical invasion on their property or the regulations interfere with the owner's distinct investing back restitution, the government, or rather 10 the taxpayers, will be responsible for providing just 11 compensation to the surrounding landowners under the 12 Eminent Domain Provision. Thanks. 13

HEARING EXAMINER:

Thank you.

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MR. GILLINGHAM:

Mountainkeeper. We have testified in the past ---. 18

I'm Wes Gillingham, Catskill

HEARING EXAMINER:

Wes, Wes, can you just spell your last 21 name for the court reporter?

MR. GILLINGHAM:

Okay. G-I-L-L-I-N-G-H-A-M. We have testified in the past that we are against these 24 regulations going forward until there's a full

cumulative impact analysis. Your presentation on the number of wells and well pads clearly stated that this does not include vertical wells.

The history of shale gas development across the United States clearly shows it's not just about horizontal wells. Shale gas development is an industrialization of the landscape. These proposed regulations do not adequately address this. It has been clearly shown by documented agency actions and science there are serious problems in Pennsylvania and across the United States with shale gas extraction.

I'm going to quote from Tom Myers, a national expert on groundwater contamination, a hydrogeologist. Fracturing by injection fluids into the shale will cause conditions that make transport of contaminants from the shale to surface aquifers possible. You simply cannot go forward with regulations to regulate that until you have the clear science to show that it can happen without it moving upgradient. The theory documented and promoted by the gas industry and regurgitated by those who believe that contaminants in the shale are isolated is simply not true. And there isn't the science to back this up.

The transport of contaminants may take

1 decades, depending on the conditions. And it will occur much more quickly if they reach a place of 2 preferential flow. What we have here is a situation where you need the science, you need the documentation, and it isn't happening. And it's actually happening in the opposite direction. 6 day, every week, every month, there's more information out there showing how unsafe this practice is. until we have a regulatory process in the states, ---10 BELL SOUNDS

MR. GILLINGHAM:

--- in the individual states to show that it can go forward, it should not happen. The truth hurts. And what hurts, it's going to hurt the health and safety of our community.

HEARING EXAMINER:

Thank you.

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MR. SCOTT:

My name is Allan Scott, and I am the CEO 20 of the Sullivan County Partnership for Economic 21 Development. Sullivan County Partnership is a 22 150-member, non-profit business association charged with promoting and coordinating the economic 23 development of private business in Sullivan County in 24 25 order to benefit the general public by enhancing the

quality of life and improving our standard of living.

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The partnership has worked on many projects over the years and has worked with a variety 3 of regulatory bodies through scores of projects over its two-plus decades of existence. From the New York State Department of Environmental Conservation to the 6 Army Corps of Engineers, and a whole host of local 7 regulatory stakeholders, we have addressed many environmental concerns while advancing and promoting economic development for the betterment of the 10 business community and ultimately the residents of our 11 12 coverage area.

The partnership as a formal policy has taken a position to support gas drilling in the areas affecting Sullivan County only if it is done so in a way that ensures safe extraction of the resources while preserving the environment. We believe that the current wave and investigatory studies that are being undertaken by the New York State EEC and the affiliated state agencies will ensure the monitoring and safe extraction of these much needed resources with the best interests of the public at the forefront. We are concerned, however, that the draft regulations proposed by the DRBC will create 25 unnecessary duplication of already existing safeguards 1 and will thus make it a tremendous hardship on business located in Sullivan County area of interest.

The northern and western parts of the county have been struggling economically for quite some time. Taxes continue to rise in order to provide the most basic of services, while the public entities charged with providing these services are nearly bankrupt. School enrollments are down. manufacturing is now gone, and the single most ---BELL SOUNDS

MR. SCOTT:

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--- important industry in this area, the agrobusiness and its direct subclusters, are under extraordinary stress.

In closing, the partnership clearly understands that preserving the health and welfare of our businesses and the environment are of utmost The beauty of the Delaware River Basin importance. matches or surpasses most in the area in the northeast. Yet ensuring that our citizens have viable 21 means to provide for families, that our local commercial activities grow in order to prosper and 23 provide much needed tax revenue for public service. The economic development opportunities, the gas drilling industry, can provide when done so

1 responsibly are extraordinary and may just be the catalyst this area needs to spark our economic recovery. Thank you very much.

HEARING EXAMINER:

Thank you. I think we're on commenter number 13.

MR. ZIGMUND:

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My name is Sean Zigmund, Z-I-G-M-U-N-D. I recently moved back to Sullivan County to start a small-scale produce farm on my mother's property. grew up here. I have family and friends here, and I strongly oppose natural gas drilling and I strongly urge the DRBC to conduct a cumulative impact study on the effects of hydraulic fracturing in the Delaware Basin.

Dimock, Pennsylvania is a mere two hours from here. I recently met Craig and Julie Sautner (phonetic), residents of Dimock, who signed a lease with Cabot Oil and Gas in the summer of 2008 to drill on their property. Since the drilling began, the 21 water became contaminated to the point they could no longer consume it or even wash in it. They're not There are now a dozen other families ---23 alone. families who have joined together in a lawsuit against Cabot. The Department of Environmental Protection of

1 Pennsylvania fined Cabot a mere \$360,000 for the contamination, but the residents involved get nothing more than a faulty water filtration system that still to this day does not properly filter the water. can't be filtered. It's contaminated with toxic chemicals, period.

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This is fact, not hyperbole, not environmentalist fanaticism. There's no science that exists to prove that fracking for natural gas can be done without affecting the land, air and water. the contrary, case after case is piling up across the U.S. proving that natural gas hydrofracking is decimating the landscape, the air, the water and the quality of life of U.S. citizens.

Big oil and gas companies have proven time and time again, Exxon Valdez, BP's ocean rig catastrophe last year, and the list goes on, but they do not and will take necessary action to prevent these catastrophes. Please do not allow hydrofracking to occur without first getting the independent scientific facts, which I'm sure will prove this method of gas drilling is not only unsafe for humans and all living It's irresponsible and short-sighted. beings. We can obtain energy naturally, renewably and responsibly. 25 We need jobs, yes. But they should be forward

thinking like renewable energy sources, wind, solar 1 and geothermal.

BELL SOUNDS

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MR. ZIGMUND:

No local jobs will come of fracking. take a quote directly from the DRBC website, a river is more than an amenity. It's a treasure. Water is absolutely necessary for life to exist, so is the air around us and the land. Please wait until a cumulative impact study can be performed, and use the EPA study as well from 2012. Thank you.

HEARING EXAMINER:

Thank you. Number 14.

MR. DANCHAK:

Jack Danchak, D-A-N-C-H-A-K. taxpayer from Bethel, New York. Dear Commissioners, I oppose the DRBC draft regulations as they are now written. These regulations would impose a 500-foot distance from any water body where drilling would be allowed. With all the waterways, streams, creeks, ponds and lakes that are here, it would be impossible to drill anywhere in the Upper Delaware River Basin. The proposed regulations also give the 24 DRBC no deadline to act on applications. And they

give the executive director the full authority to stop

1 almost anything at any time and for no reason whatsoever. This is not right and not the American way of doing things. The regulations are discouraging and would be chasing gas companies elsewhere. must be revised.

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Most of us living in or near the natural gas corridor have suffered and struggled through the years. We now have a once in a lifetime opportunity to help ourselves, our county, our state and America to be independent from foreign countries for our energy needs. The petroleum geologists, the 12 knowledgeable experts tell us with modern technology, there are thousands of working natural gas wells using the fracking method throughout the United States and there is not one major problem reported. major.

As a property owner with 100-acre lake, I am convinced that gas drilling can be done safely and responsibly. And as president of our sportsman's federation, I am and I have been an environmentalist for a long time. And I am in favor of drilling for natural gas. For the sake of the thousands of people living here who share my thoughts, please encourage gas companies to come to this area and don't chase 25 them elsewhere with the current proposed DRBC

regulations on gas drilling. Thank you.

HEARING EXAMINER:

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Thank you. Commenter 15.

MR. DAVIS:

My name is Jordan Davis, D-A-V-I-S. a student and activist. So I want to start off by saying that hydrofracking is very unstable, unsafe and, I believe unnecessary. No regulations will make natural gas clean or prevent well blowouts, water 10 contamination, air pollution, especially considering the underfunded nature of the DEC and its corollaries. Who will pay for the pollution? What about climate change?

Natural gas is still a fossil fuel and further investment in this directs money and energy away from investment and renewables and other way more important things such as organic agriculture. gas companies' profits, these economics, not important. The earth is.

The regulations you have proposed are not enough. We need to ban, not hands off. No more business as usual. Consider this. Two to nine 23 million gallons of fresh water, thousands of chemicals being disposed of, and already overburdened waste 25 | facilities. Two million gallons per well. That means

366 tanker trucks of fresh water, 183 waste trucks. 1

2 That means more roads, diesel engines, traffic, noise

and habitat destruction. 3

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You all accept business as usual, but I don't. The earth comes first. No compromise.

HEARING EXAMINER:

Thank you.

MS. CARLUCCIO:

Tracy Carluccio, Delaware Riverkeeper 10 Network, C-A-R-L-U-C-C-I-O. I'd like to just say a couple things about what we're up against. We're up against an industry that's exempt from portions of every major federal environmental law. Safe Drinking 14 | Water Act, exempt. Allows them to inject dangerous chemicals into the ground with no safeguards. Water Act, exempt, from the sections that protect our streams from stormwater runoff. Clean Air Act, exempt from key portions of the Clean Air Act, the air we breath.

Even industrial accountability laws that 21 make polluters clean up the mess they make, they're exempt, such as the Superfund Law. And at the state level, New York has not proposed any new regulations for high volume, hydraulic frack, and is even allowing 25 vertical fracturing to go on right now.

1 Pennsylvania, the communities across Pennsylvania are 2 being torn apart by gas drilling because of the weak regulations there. 2,486 violations just in 2010 of 3 those relatively weak regulations. So all we have to protect is here in the Delaware River watershed is the 6 Delaware River Basin Commission. And yet the DRBC has rushed out regulations without doing a cumulative impact analysis, without waiting for the EPA to take a hard look at the hydraulic fracturing that's allowed to go ahead under the last federal administration for 10 the wrong reasons, the Halliburton loophole. 11 these rules don't meet the standard. They don't meet 12 the mandate that the DRBC labors under, the do-no-harm 13 14 mandate.

The exceptional water quality of the Delaware River must be protected by the statutes that the DRBC labors under. And that means that the 15 million people that drink water from this watershed and the critters that live in the streams and the environment that is part of that watershed needs to be protected by you, and it cannot be degraded. These rules don't do that.

23 BELL SOUNDS

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MS. CARLUCCIO:

They should be pulled back. And in the

meantime, we have to remember, without do-no-harm, we will be harmed.

HEARING EXAMINER:

Thank you.

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MS. SCOTT:

My name is Catherin Scott, 6 I'm from Hortonville, New York. 7 S-C-O-T-T. belong to the Catskill Citizens for Safe Energy. parents moved up here when I was an infant because they wanted us to have a better life, and we did. 10 And we were a bunch of barefoot, dirt-crusted little 11 rugrats running the hillsides of Sullivan County. 12 Wе played in creeks and ponds and the lakes. I remember 13 going to visit my family in the city, and refusing a 14 glass of water because I knew it didn't taste right. 15 My father said to me, no, this is the water they They just purified it from the journey that it 17 takes from upstate to downstate. And then it became a 18 point of pride. 19

After 9/11, we saw how vulnerable New York City was with the reservoirs up here and with 21 terrorism, a very real and probable threat. My nephew is a DEP officer or water dog. His job is to maintain the safety of those reservoirs. I feel it is my job 25 to maintain the safety of the water that goes to 17

1 million people, not just myself. And I think that the rush to drilling without the safety of adequate science puts a lot of people that I care about, and I love in jeopardy, not just upstate New York but also in New York City.

Through this journey, I have made friends in West Virginia, Texas, Colorado, Arkansas, Australia and others around the world just trying to get more information from people who lived this. And their story is that promises made have been broken. And it makes me feel like a virgin on prom night. like the gas company is willing to say anything to get that dress up over my head. I didn't appreciate it then, and I don't appreciate it now because the fact of the matter is once you lose your virginity, you don't get it back. Once we poison this water, we don't get it back.

And my question to the DRBC is what is plan B? Ten years from now if we find ---BELL SOUNDS

MS. SCOTT:

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--- degradations, we're not satisfied, and my family is drinking water that is toxic, what is your plan B? How do you become virgin again? 25 not going to be that easy. Thank you.

HEARING EXAMINER:

Thank you. Eighteen (18).

MR. LONDON:

Hi. Jan London, J-A-N L-O-N-D-O-N. Kind of shocked. Appears to me there's an agreement between anti-gas drillers and pro-gas drillers. They want to stop the regulations and redo them. A little bit different, but they're both in agreement there.

I got two main issues. In addition to the water, the noise that we discussed, so much of the time. First is are we prepared for what any significant seismic activity could do to the tens of thousands of wells going through here, thousands of ---. What kind of steel is used for the well case? I strongly suggest stainless steel for strength and non-decay to at least 500 feet below the aquifer all the way up to the surface. Of course, that crosses my mind that they won't do that.

Are we prepared to deal with a fivepercent failure of tens of thousands of wells and one seismic activity?

Second, the deceit of the energy independence is being exposed daily. Some of the largest gas companies, the Chesapeake --- so large percentages of shale leasing to the China ---

1 multinational companies. Some of these are in the They're paying you \$5,000 an acre and 2 last month. reselling it to China for \$40,000 or \$50,000 an acre. Lease signers are being used to fight the gas company's fight. Don't kid yourself. This gas will go to the highest bidder in the world. You think China's energy companies are going to be responsible for every bit of environmental damage 30 years from now? Please wait for currently ongoing scientific studies to this infant technology. To quote an old 10 adage, haste makes waste. Thank you. 11

HEARING EXAMINER:

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Just before you start, what I Thank you. usually do when we get around 19 is then call down the rest of the folks. So if there's anybody with a number 21 to 30, if you would come down here, I would appreciate it. I'm sorry. Twenty-one (21) to 30, if you can take your seats here, that would be great.

MR. ROEDER:

I'm Harold Roeder, Jr. I live in 21 Hortonville, which is a town of Delaware, County of Sullivan, State of New York. I serve as a councilman on the Town of Delaware Board. The town board has taken a position of neither promoting nor impeding gas 25 drilling. Furthermore, when gas drilling does occur

in the town of Delaware, the board wants it to be performed safely and responsibly.

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3 Safety of our water is and has been the responsibility of New York State through the Department of Conservation. In our town, we have waters which include brooks, creeks, streams, ponds, 7 lakes, springs, wetlands and other drainage areas as well as a river. All in all, the DEC has done a pretty good job of protecting these waters. Both the 10 DEC and the DRBC are now in various stages of formulating gas drilling regulations for the 11 protection of our water. Our town board expects that 12 both agencies will bring us the kind of gas drilling 13 14 regulations which will protect the water and at the same time not be so restrictive that they unduly 15 impede the use of private lands for gas drilling. 16

I speak specifically to the DRBC in setback regulation of 500 feet. The State of New York using its setback regulations has successfully protected its waters from residential, commercial, light and heavy industry, as well as municipal uses for decades. It is doing such right now, and their setbacks are nowhere near what the DRBC proposes. Hopefully, the DRBC is here in support and 25 reinforcement of the New York State regulations that

are to come and not here to usurp them.

I respectfully suggest that the DRBC revisit their proposed setback regulations and align them with those of the New York State. Thank you for your time.

HEARING EXAMINER:

Thank you. Commenter number 20, please. I think Harry was 19. Do we have a 20? All right. We'll go to 21. Okay. Any last call for 20 or 21? 10 All right, 22.

MS. HULSTEYN:

My name is Grace Van Hulsteyn spelled V-A-N H-U-L-S-T-E-Y-N. This comment is directed not 13 14 to the new rules themselves but ---.

HEARING EXAMINER:

Approach the mike a little closer.

17 That's all.

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MS. HULSTEYN:

My comment is directed not so much at the 20 new rules themselves but at the Commission's continued 21 resolve to subject a sensitive river basin to the unpredictable consequences of deep drilling and 23 hydrofracking.

I was so shocked to learn that the DRBC, 24 25 which I was relying on, I thought as a safety party,

that whether the site was going to allow these wells
in the basin, the exploratory wells. I'd like to know
whether the reason for this was the distress of the
many reports nationwide of water contamination through
spills and migration of fracking fluid or to the
belief that the risks are so small as to be tolerable?

Apparently, what the DRBC said at the time was that there were economic concerns that it had to concern itself with. And more distinctly, reminded the DRBC of economic concerns were not really within its mission. Nobody can now warn that the river won't be harmed by drilling and hydrofracking, even of the limited explore --- even those of the limited exploratory wells because too little is understood about the underground river of water.

Some helps in the works in the EPA, but you have decided not to wait for that. Meanwhile the pristine river could be compromised even in a long term by a single incident of contamination, diminishing its health and its value to millions.

As to economics, please consider, your proper mission aside, that environmental risk is not the tradeoff ---

24 BELL SOUNDS

MS. HULSTEYN:

--- for wealth. The most dangerous risks of contamination occur in the exploration process, not in production. So contamination could occur even if not one well in the basin were to produce a single MCF Spills and migration can ruin the river even though no landowner receives a dime of royalties, even though wells are then abandoned and sealed, and jobs and local stimulus meet a sudden and premature end.

HEARING EXAMINER:

Thank you. Commenter number 23.

MS. STEINZOR:

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My name is Nadia Steinzor. That's S-T-E-I-N-Z-O-R. And I'm the Marcellus organizer for 14 Earthworks Oil and Gas Accountability Project. a national group and for over 20 years we've documented the damage and impacts with the fracking industry and assisted landowners and towns once they have held. And there are problems associated with the fracking industries. Unfortunately, many of them sorely regret having welcomed the industry with open arms that's exempt from many federal laws and that cuts corners, denies their responsibility, and does everything it can to not be regulated. And with that in mind, I recommend the

25 DRBC is going to have a heck of a job trying to

regulate this industry. So thank you for beginning to issue regulations. Restrictions on gas development in the particular area and preauthorization wastewater disposal are the positive first steps. But despite the gas industry's clear intention to develop thousands of wells over many years, the DRBC has made no effort to assess the cumulative impacts of water withdrawal and well development, and draft regulations do not have any plans to address the cumulative environmental impacts at a very wide result.

By rushing you into these draft regulations, the DRBC has chosen not to wait for a federal study that would provide a cumulative impact analysis, that all members stay sort --- make their own decisions and develop their own regulations. The DRBC has also chosen to rely on the state regulations for critical aspects, such as well casing setbacks and safety, but the Commission in many states have yet to update the outdated regulations that date back to the 1980s, and that cannot deal with modern-day industrial gas development. This is not your grandfather's ---. It uses high levels of toxic chemicals and water and has a very strong impact on landscape.

The DRBC shouldn't just slip under the low bars of state regulations but this is a golden

opportunity for the DRBC whose mandate is to do no 1 2 harm to the previous area ---

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MS. STEINZOR:

--- of drinking water to set the bar higher and to lead. Thank you.

HEARING EXAMINER:

Thank you. Twenty-four (24).

MS. WIENER:

My name is Jill Wiener, W-I-E-N-E-R. I'm a Sullivan County resident, landowner, business owner, 12 member of Catskill Citizens for Safe Energy. I have a 13 bunch of concerns about the draft regulations, but 14 we'll just limit this.

So one of the concerns is the fact that

16 you have estimated well development and well pad development, and there's no ceiling for well pad development or well development in the regulations at all. So you might estimate 10,000 to 15,000 wells. 20 Where's the ceiling there because your estimates could 21 be very far off? I understand that the industry is 22 | not contesting your estimates at all. That should be a big hint.

With the admission by the DRBC that 80 25 percent of the contaminated toxic produced water will 1 stay underground in our highly fractured, radioactive, geology, I'm requesting that each frack well be classified as an injection well and be regulated as such.

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Furthermore, there's a glaring omission in the definition section of the gas draft. Produced water, flowback water, and drill cutting should fall under the definition of hazardous waste and be treated as such. We've heard about how the industry supporters are finding that 500-foot setback from water bodies as very restrictive. I would argue and 12 respectfully disagree that those setbacks are not nearly stringent enough to protect our river. And it is our river. It's our river. It belongs to us. Ιt belongs to the people who rely on it for their drinking water and their recreation and that they make a living off of it.

And in the end, from researching the behavior of the industry, it is pretty clear to me that there's not a piece of paper strong enough to protect our river, our health and the water supply for the 15 million Americans that are relying on your judgment and your authority. Thank you.

HEARING EXAMINER:

Twenty-five (25).

MR. THAYER:

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Hello. My name is Alden Thayer,

T-H-A-Y-E-R. I'm from Claryville. I'm a landscape

designer and run a small construction company.

I want to bring in a point of view that I haven't heard here yet tonight. Futurists, that is people who predict the future both here and in Europe, uniformly say that in 16 years, only 16 years, solar energy will be providing enough energy to provide all of our energy needs. This is based on a parallel to the computer industry which is --- as the solar industry has now become, it's a knowledge-based industry. And apparently such industries expand exponentially in their knowledge and their abilities. Computers, every two years increase --- they double rather, their capacity. Or looked at another way, they go down to half the price for what you were getting two years before. And this isn't just a theory. This has actually been proven for the last 20 years in the computer industry.

Such it is in the solar industry. The same thing has been happening. Currently solar provides something like half a percent of all the energy used on the planet. Double that every two years. All you need is eight doublings, 16 years

1 time, and we'll have all the energy we need. Is it worthwhile in periling one of the most beautiful rivers in the world when in 16 years we won't even be asking to use natural gas? Thank you.

HEARING EXAMINER:

Okay. Commenter 26, if there is one. Does anybody have a number that exceeds 25? Yes, sir. What's that?

MR. YODICE:

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Twenty-eight (28).

HEARING EXAMINER:

All right. Let me just go through these, 26, 27? Any 27s out there? You got it.

MR. YODICE:

How you doing? My name is Harold Yodice, I came here tonight to just listen to 16 Y-O-D-I-C-E. the folks that were here and just as someone who is maybe a little bit on the outside, I can see the 19 difference between the people who don't want fracking, okay. I don't know how many of their children go to 21 schools here, how many of them depend on actually a job up here? Not a private industry, but a job where you have to go to someone and work for someone, okay. I don't know how much taxes they pay. I know last 25 year I paid over \$45,000 in property taxes, okay.

1 have ten buildings in Sullivan. And there's no end in sight.

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Yesterday's Herald, they had an article about a \$120 billion shortfall in the state pension fund. I'd like to know how maybe making some pots or maybe building some organic vegetables are going to help to pay for \$120 billion deficit? Okay. Some of the other statistics that the non-fractors bring up are just very laughable.

Solar energy has been around for 50 10 years, okay. It hasn't progressed that far in 50 11 years. Yet in 16 years it's going to supply the whole 12 planet. Solar energy does not work. 13 It's too expensive. The cost back on it is 15 to 20 years if 14 you put it on your house. Sullivan County does not 15 have 15 or 20 years. In another 10 to 12 years, 16 there'll be tumbleweeds rolling through the towns. 17 Just look at Liberty where this high school is 18 located. One out of every three stores are locked up 19 20 and closed up. And that's only this year. Wait until 21 we get hit with the \$120 billion that we have to help 22 support for the pension fund of the teachers, the state troopers, the police, the cops, okay. People 23 have to wake up here. 24

If you don't want fracking, I mean, we

1 all live here too. People who want fracking, we live 2 here. We don't want to drink polluted water.

BELL SOUNDS

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MR. YODICE:

I don't want to drink polluted water. 6 But you have to come up with a better solution than we just don't want it. We want to over regulate it or we want to do away with it altogether and go make some pots and we'll pay for the \$120 billion deficit. That's not going to happen. Not with that and not with your organic vegetables and definitely not with your solar energy. Thank you.

HEARING EXAMINER:

Thank you. Are there any 29s out there? Because we skipped a couple numbers here. still have some time. I think that's all the people that registered. If there's anybody who would like an opportunity to speak who didn't register and hasn't already spoken, I would give you an opportunity right now. Otherwise, in the next few minutes we would adjourn this hearing. Two of you back there?

UNIDENTIFIED SPEAKER:

Yes, yes.

HEARING EXAMINER:

Okay. Come on up here. Is there anybody

1 else, because I will adjourn the hearing after these two folks unless somebody else raises their hand. Okay. You can go in whatever order you self-select.

MR. MORROW:

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Oh, okay. Good evening. My name is Van Morrow, M-O-R-R-O-W. I live in Livingston Manor, New York. And I'm a taxpayer, small business owner, and my story is similar to many others I've heard here tonight. And I just wanted to take this short opportunity to announce to all and to those who will listen that I came to Sullivan County. I returned 12 here because as a bungalow kid, and we just wanted to get out of the city and up to the country. And it is green and it is beautiful and we swam in the lakes and it's everything that you see on all the promotional pictures. You will never see an industrialized site on any promotion of anything.

I have to ask all of you people who are making the decisions and those in the audience who voice in any way pro-fracking, would you drink the water? I absolutely understand about jobs and the economics and all of those things. One accident, we are finished. No reversal.

And I put my money where my mouth is. 24 put solar hot water on my house this year. I know how 25

much more hot water I am now getting and how little
oil I am now using. We get a lot of information from
a hydropowered radio station. I know of at least one
very good example of wind power and wind energy in
Applepond Farm and I have asked in letter-writing
campaigns, letters to the editor, however I could get
my voice out, in the case of any widespread damage,
what happens?

BELL SOUNDS

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MR. MORROW:

I have never gotten an 11 Ten seconds. 12 answer. I live less than a mile from a proposed fracking site where the owner has leased 185 acres. 13 I'm worried about the pull of my well. I am worried 14 about chemicals going underground toward my house. 15 What will happen? Would you drink the water if 16 17 something happens? Would you wash your clothes? 18 Would you cook in it? The questions are so simple.

HEARING EXAMINER:

Thank you.

MS. MARONI:

Good evening.

presentation tonight. My name's Midge Maroni,

M-I-D-G-E M-A-R-O-N-I. Twenty-two (22) years ago I

bought my house in Livingston Manor with a great dream

And thank you for the

1 of retiring up here. And right now I'm afraid that I might not be able to do that because I can't live someplace where I don't have clean water to drink, to feed my pets, to grow my vegetables, to live, to shower. And I'm trying to get my mind around some of your figures that you used in your presentation.

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In looking around this auditorium, I'm trying to fathom how many gallons of water it would take to fill this. And then I'm trying to fathom how many gallons of water that would be if it were polluted, if it were processed waters. And how can you be 100 percent sure that this polluted water that comes back, this processed water, how could it be treated to ever be safe? I don't think I want to flush my toilet with it, frankly.

But there is another issue that came up very recently with regard to the --- that has discovered or challenged the issue of diesel fuel being used as a product of hydrofracking. So if there is diesel fuel, and it seems like Halliburton may have acknowledged that, if there is diesel, that's poison. And that in itself is such a huge risk that I think you need to wait until you find out what is the decision with diesel fuel being used as a fracturing 25 chemical. It's not allowed on the groundwater.

Apparently it's allowed in the ocean, poor fish. But until that EPA decision, however the negotiation works out with these corporate --- what these corporations using a ---

BELL SOUNDS

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MS. MARONI:

--- diesel fuel, please, please, make sure that you let the EPA find out what's going on with diesel fuel. And thank you very much.

HEARING EXAMINER:

Thank you. All right. 11 I want to have the hearing --- just thank you for coming out tonight 12 and expressing your various points of view. 13 As of 14 now, the comment period closes on March 16. Wе indicated there's two ways you could file additional 15 comments in writing. One was by this electronic 16 17 system on our website and the other was by a letter. 18 But the Commissioners have heard requests from many individuals about extending the comment period, and 19 20 they will make a decision on that at our March 2nd 21 meeting down in Trenton. And so that's about all I 22 have. Thanks for coming, and the hearing is now 23 adjourned.

* * * * * * * *

HEARING CONCLUDED AT 7:40 P.M.

CERTIFICATE

I hereby certify, as the stenographic reporter, that the foregoing proceedings were taken 6 stenographically by me, and thereafter reduced to typewriting by me or under my direction; and that this transcript is a true and accurate record to the best of my ability.

Court Reporter