RE: Request of changes to DRBC contract

Tuesday, September 24, 2013 11:40 AM

Subject RE: Request of changes to DRBC contract
From Johnson, Andrew
To Collier, Carol
Cc Scace, Barbara
Sent Monday, December 03, 2012 6:22 PM

Carol-

The Foundation approves your request to reallocate funds in grant #15-12, as described in your October 5, 2012 email (see below).

Best Andy

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From: Collier, Carol [mailto:Carol.Collier@drbc.state.nj.us]

Sent: Friday, October 05, 2012 9:35 AM

To: Johnson, Andrew

Subject: Request of changes to DRBC contract

Dear Andy,

Thank you so much for spending time with us on Friday afternoon. I thought the meeting went well, and we have a good idea of next steps. I'm anxious to hear more about the implementation of the new WPF Strategic Plan – sounds exciting!

I am writing you to ask if we can explore changing the conditions required to complete the project and gain approval for the third grant payment. The current conditions require that the DRBC natural gas regulations be approved by commissioners and that those regulations include requirements for 1) natural gas development plans and 2) creation of a Decision Support Tool to implement the regulations. Due to a number of circumstances, I believe the approval of DRBC natural gas regulations to be a ways in the future (there is no defined time frame at this point). However, I believe there is value in completing the tool prior to regulation approval. As mentioned on Friday, we also would like to increase the percentage of staff labor and reduce the percentage to consultants.

As you know the natural gas regulatory process was stalled in November, 2011. Since that time the Commissioners have had technical discussions, but are not ready to move forward. The latest news from New York State of their decision to conduct a human health impact study makes the timeline even less certain.

There are many reasons to move forward with completion of the GIS Decision Support Tool:

- 1) Availability of high resolution land use mapping: DRBC has a contract with the University of Vermont to map land use in the areas of the basin underlain by Marcellus Shale using LIDAR imagery. This provides a resolution at a 1 meter scale instead of the existing 30 meter scale. These maps will be made available to anyone requesting them. It is more cost effective if we can have all the mapping done at this time and let the public know of their availability. We believe basin agencies (e.g., federal, state, county and municipal planning and scientific entities) as well as academia and NGOs would find these recent, highly accurate maps immediately relevant,
- 2) Forest Mitigation Requirements: DRBC is contracting with the Society of American Foresters to develop recommendations for mitigating forest loss including establishing levels of mitigation and/or compensation (possibly a forest banking system) based on forest value, as well as a site restoration program. While there has been extensive work on wetland mitigation, little has been done for forests. As we gain knowledge of water systems we are realizing the importance of forests in protecting water resources. These recommendations will be of interest to a wide audience. Completion of the tool is necessary to automate forest loss make-up from these recommendations into the decision-making process.
- 3) Completion of the GIS Tool: If the tool is completed prior to the DRBC natural gas regulations being approved, there are a number of benefits. First we can demonstrate how it will be used to help protect and mitigate the High Value Water Resource Landscapes (HVWRLs). Currently there is misunderstanding about the tool with many thinking it will prohibit the use of the majority of land in the upper basin. Through demonstrations, we could educate the stakeholders on the value of the tool, showing that while development of most landscapes is not prohibited, disturbance of the HVWRLs results in higher costs to the industry both from a regulatory and actual cost perspective.

The GIS tool can be modified for other uses. There is value in completing the tool so that we can share it with others, either for use in natural gas applications outside of the Delaware River Basin or modified for other land use decisions. Access to the Facilitation/Outreach/Education funding will allow us to educate the Delaware Basin community and other potential users.

- Since we are developing the GIS tool in-house with the guidance of New Jersey OIT, access to the labor dollars in Phase 3 of the Grant is required to complete the product.
- 4) Electronic Application: To make the GIS Tool fully functioning, it needs to work with a public web portal so users and stakeholders can see the applications, environmental mapping layers, etc. Completion of this work is dependent on Phase 3 of the Grant.

In addition to these facts, there is one more issue you should know about. This past year, DRBC, our Federal member, US Army Corps of Engineers and other federal agencies were sued by the New York Attorney General, the Riverkeeper and Damascus Citizens for Sustainability saying that the Commission is a federal agency and that both the Commission and the federal commissioner have a responsibility to prepare a NEPA Impact Statement on the cumulative effects of our proposed regulations. We fought the allegations for a number of reasons, with one of the most important ones being that the whole purpose of the river basin commission is to bring the state and federal members together on a level playing field to manage the natural resource. That does not work if we are federal agency. The case was dismissed as not being ripe since we had not yet approved regulations. However, the judge in his decision clearly stated that he wanted to see analyses addressing the impacts of drilling. The GIS Decision Support Tool will clearly assist us in addressing and mitigating impacts on large scale properties.

Andy, our hope is that together we can develop alternative conditions for Phase 3 of the Grant

that allow us to move forward, but have requirements that will ensure a complete and viable product.

Finally, as we discussed on Friday, we would like to have the ability to shift funds in the grants from "Consultant/Professional Fees" to "Salaries and/or Benefits." This is necessary because the project has shifted from one that assumed reliance on consultant(s) to build a large computer tool to one that utilizes a variety of scientific and planning talent to determine appropriate environmental management approaches and merges the results into a decision-making desktop GIS Tool. This change utilizes DRBC staff talent to research approaches to protecting the landscape (e.g., HVWRLs) and to integrate mapping and consultant results into a cohesive tool. Proposed shifts in funds from consultants to staff are shown in the chart we gave you at the meeting.

Please let me know if there is anything else I can provide to you. Thank you so much for your interest in and support of the exciting project. Carol

"Water is the most critical resource issue of our lifetime and our children's lifetime. The health of our water is the principal measure of how we live on the land." Luna Leopold

Carol R. Collier, Exec. Director **Delaware River Basin Commission** P.O. Box 7360, 25 State Police Drive West Trenton, NJ 08628-0360 (609) 883-9500,ex. 200; www.drbc.net