

**EEHW COMMITTEE MEETING
MARCH 21, 2013
5:30 P.M.**

MEMBERS PRESENT

Chair Tim Dudley
Jerry Potts (arrived @ 5:33 p.m.)
Kevin Greenfield
Kevin Meachum
Patty Cox
Phil Hogan
Merv Jacobs

COUNTY PERSONNEL PRESENT

Matt Snyder, ROE
Mike Baggett, State's Attorney's Office
Jennifer Hoffman, P&Z
Kris Horton, Animal Control
Deb Garrett, Env Mgmt
Julie Aubert, Health Dept
Kathy Powless, Veterans Assistance
Linda Little
Paula Cross, Env Mgmt
Jeannie Durham, Board Office

The meeting was called to order by Chair Tim Dudley at the Macon County Office Building.

MINUTES

Motion to approve the minutes of both the open and closed meetings held on 2/21/13, was made by Kevin Meachum, seconded by Phil Hogan and motion carried 6-0.

CLAIMS

Motion to approve the claims was made by Patty Cox, seconded by Phil Hogan, and motion carried 6-0.

Jerry Potts arrived.

Chair Dudley announced that he would be moving both Old & New Business agenda items forward to this point in the meeting to accommodate Craig Coil's limited timeframe.

OLD BUSINESS

Macon County Board correcting the Decatur Macon County Enterprise Zone Intergovernmental Agreement (G3803-12-12)

Macon County board Resolution Correcting Resolution G3804-12-12 Approving Participation in the Enterprise Zone

Craig Coil explained that the incorrect termination date, according to statute, had been used on these resolutions that had been previously passed at the December, 2012 Board Meeting. They are being corrected so the termination date will be July, 2016 rather than December, 2016.

Motion was made by Kevin Greenfield, seconded by Phil Hogan, and motion carried 7-0.

NEW BUSINESS

Macon County Board Resolution Consenting to the Boundary Modifications to the Area known as the Decatur Macon County Enterprise Zone (for ADM)

Craig Coil reported that the ADM resolution covers two projects: The addition of parcels to accommodate the water well project between ADM & the City of Decatur. It is about a \$7 million project. There is no property tax abatement. This is so they can take advantage of some of the state exemptions and credits. The other piece of the ADM addition is Spencer Park on to the railroad yard which was approved previously. There is no abatement there either.

Motion made by Kevin Meachum, seconded by Jerry Potts, and motion carried 7 -0.

Macon County Board Resolution Consenting to the Boundary Modifications to the Area known as the Decatur Macon County Enterprise Zone (for Niemann Foods)

Craig Coil explained this area is between Leafland & Fairview and Grand & Oakland. Niemann Foods will be building a new 30,000 sq ft grocery store. The City recently completed its developer agreement with Niemann. They would also like an enterprise zone so they can take advantage of state credits and extensions. There are no property tax abatements associated with this.

Motion made by Jerry Potts, seconded by Kevin Meachum, and motion carried 7-0.

Chair Dudley commented that this is the kind of development Decatur has been looking for. This is an area that has looked awful for years and this is a great project. He thanked the Board for stepping up and approving it and thanked Craig for his work on it also.

ZONING

Macon County Board Resolution Regarding Case S-01-03-13 Petition filed by Soy Capital Bank Trust / John C. Lee MD requesting a reissuance of a Special Use Permit to allow a doctor's office in Residential (R-1) zoning

Jennifer Hoffman reported that S-01-03-13 is a renewal for the special use permit that was approved for 10 years in 2003. The property is commonly known as 1715 S. Blain Lane in Long Creek Township. The ZBA approved on March 13, 2013 for another 10 years with these stipulations: The Dr. Office is limited to use by one doctor; use of property is to be confined to the existing residence; there can be no additions to the residence; access to the parking area of the doctor office is directly from Fulton St.; there will be a 10 year limit with review at the end of that time period. The original was taken out in the 1990's.

Motion to approve made by Jerry Potts, seconded by Kevin Meachum, and motion carried 7-0.

SUBDIVISIONS

None

REPORTS

Veterans Assistance

Kathy Powless reported that an event to recognize the Vietnam era veterans is being put together by a group of Vietnam veterans. It is to be held Saturday, 3/30/13 from 1 – 4 p.m. at the Decatur Conference Center.

The Vietnam Remembered traveling wall is coming to Decatur, hosted by the Decatur Public Library, on May 16 – May 19, 2013.

This Saturday, 3/23, a spaghetti dinner is being held at the American Legion. It is \$7 for all you can eat from 6 – 8 p.m. followed by Karaoke.

Planning & Zoning

No report.

Health Department

Julie Aubert reported on the World Health Day screenings being held on April 3 at Grace United Methodist Church. It is open and free to the public.

The County Health rankings are out for 2013. We went up 4 spots in health factors, but we are still dead last in healthy behaviors. We are still working on all the projects we have been working on and continue to try to get resources so we can get some improvement in the statistics.

Animal Control

Kris Horton distributed a monthly report.

Environmental Management

Deb Garrett had no report

Regional Office of Education

Matt Snyder reported on his quarterly report. They are currently employing 116 people. The County is responsible for a small portion of that thru the office on Huston. The state has decided to reduce the number of regional offices from 44 to 35. It will have no impact on the Macon / Piatt regional office. It mainly reduces the number of offices in southern and western Illinois rural areas – combining some of those. It is based on population. We are the 18th largest with 127,000 between Macon & Piatt counties, so we are going to be safe for quite a while as long as they continue to fund through the state. They pay Matt's & the assistant's salary and a small amount of about \$35,000 for professional services. Mr. Snyder thinks the \$35,000 will probably go away next year. The county covers mainly the truancy and some of the office clerical expense. Those are funds that are desperately needed. We sent out 219 truancy letters throughout the 2 counties. The letter goes out after 5 days unexcused absence. There are a large number of students who we go out and work with to get back into school. County facility sales tax money is flowing. About \$800,000 a month is brought in. We send it out to the schools and they are using it on some of the construction phases that have been going on around here. There are a very small number of counties that have that.

Kevin Meachum commented that it's sad that the state doesn't have the money for the teachers to put in these nice buildings.

All the Superintendents meet monthly. The state has really reduced the amount of general state aid that goes to the schools, the money for busing students, and the State Board of Education has a \$9.8 billion budget and about \$4.6 billion is spent on state aid for students. They have prorated it down to about 89% and they are telling us that next year it will be about 82%. You are supposed to spend \$6119 per student through local and state funds. The state is giving less than half the number for transportation. That is a big issue for rural districts.

Kevin asked if he had seen any movement in Springfield to help the students.

Matt replied that he was at the IL State Board of Education meeting yesterday, they are very concerned. The 7 State Board Members are pushing for funding education at least what it was 3 years ago. The president comes out of Chicago and he has the governor's ear, but it seems to be going nowhere right now.

New Business (cont.)

Fracking Discussion: Chair Dudley explained that he had been sending out information via email to the committee members. The information is not pro or con, but is factual, and he asked that everyone keep an open mind on the subject. A lot of people do not have a clear understanding of what fracking is at this point. He explained that a well is drilled down and then it is turned to a horizontal angle. In Illinois, most wells are between 4500 and 5000 feet. In other places, like PA & TX, they go down to up to 10,000 feet. Here it is fairly shallow. They pump water, sand and chemicals down to fracture the shale. Once they do that, it releases the natural gas & oil deposits. That comes back up through the water that is treated with an oily substance to capture the product and bring it back to the surface. A lot of the problems you hear people complaining about is when they bring that back up. The water is contaminated and some of that is leaking off the top. In HB2615 that has been introduced in IL, they have come up with a way to put a concrete cap on top of that well to keep some of that from flushing out. There is a lot of this oil and natural gas all through southern Illinois. I don't know that fracking will come to Macon County. On the maps, it is a pretty slim chance, however, we do need to be ready for it. I wanted to open discussions on fracking to get you guys up to speed on what it is before we start talking about it. We will keep sending out information for you to read. The local control issue that is coming up where some counties think they want to have local control on these issues is something we are going to be dealing with next month also. I have asked Jennifer to start proceedings to write an ordinance to cover this kind of thing. We don't have an ordinance in Macon County covering any kind of fracking or oil or any kind of drilling. That is something we're going to be delving into. Next month we will have a couple people here to make presentations – one for and one against. We will get both perspectives of it. They are not long, probably 10 – 12 minute videos or slides. You will know everything about it before it's all over with. I'd like to act on the local control issue first. If they push that bill through in Springfield, we need to be ready. We need to decide if we want to take local control or not. Jennifer Hoffman clarified with the committee the type of ordinance they want drawn up for the County. Right now, there is no ordinance that controls anything – not oil wells or drilling of any type right now. There's one in Elwin. There are some that have popped up in Hervey City and

Casner. We researched this two years ago when they came in and all we got is building permits and for the electrical on the site. Feds control all the rest. So, you want an ordinance for the oil wells and the fracking in Macon County? Tim affirmed. I don't want to push it so fast that we don't get to look at it. We will try to have something in place for discussion next month and maybe vote on it the month after that. I want to make sure everybody has a clear understanding of how we want to go before we vote on anything.

Citizen's Remarks

Jerry Stocks stated that he is the owner of the oil well in Hervey City and he represents two wildcatters that have roughly 60 leases in their possession and 7 active drilling permits ready to act on presently in this county. There is one other wildcatter that has been active in the last two years who developed the Elwin field. The geologic engineer and MIT graduate who managed that is also managing the other wells at issue in this county. Chair Dudley requested an explanation of what wildcatters are. Mr. Stocks explained that wildcatters are independents that are not affiliated with large vertically integrated oil companies like Exxon, BP, etc... They are a high risk type of operation and they are predominantly responsible for all the oil and gas exploration here in Illinois and particularly the Central Illinois basin. You are on the cusp of a lot of drilling activity in this county. The Elwin field, in its first 18 months, has generated over \$30 million of oil revenue sales. New techniques allow them to capture more oil with less water. Illinois oil in this part is a very "sweet" oil. It is radiant, meaning it does not have to be refined, so there is a premium price for it since there are no refinement costs. Some of the oils in deep Illinois, southern Illinois, or what you hear about in the Dakotas, Pennsylvania, and Ohio are more of what is called a "sour" oil because it takes a lot more refinement. There is a premium and a renewed interest in seeing what they can develop in Illinois.

There is a lot of discussion on fracking. I think it is important that it is understood exactly what type of fracking takes place here in Macon County vs the hydraulic fracturing process. The HB2615, pending in Springfield, is a regulation of a process known as a horizontal well bore, high pressure, hydraulic fracturing. That is where they go down into the ground and the well bore takes at least a 80 to 90 degree turn and works across the formation. Then they frack from that where they would expel water / sand. Over 99% of the mixture is water and sand. There would be other emulsifiers like what they use in the ice cream at the DQ. Sometimes, there may be a trace of diesel, depending on the formation. Many are transitioning to a bio degradable fracking fluid that Haliburton has developed. That is the advent technology that many of these frackers are using. In Macon County, it has not been, nor is there contemplated, a horizontal bore, high pressure, hydraulic fracturing. What you read about in PA & OH are horizontal, high pressure bores far deeper than what you run into here in Illinois. None of that is taking place here in Macon County. We don't want a generic term of "fracturing" used in some form of regulatory process that does not clearly differentiate between high pressure hydraulic fracturing at depths that may be a mischief to address vs vertical bore drilling which has taken place here in Illinois for over 60 years without a contamination of ground water or any issues or problems so the nomenclature does not end up regulating something that has never been a problem. We are not busting shale in Macon County. Oil is harvested from limestone formations. Shale is far more porous and dense. When you go into shale, you have to use higher pressures to actually fracture the shale formation. There is a movie with Matt Damien called Gasland. Respectfully, Matt Damien is not a geologic engineer, but that movie is talking about fears over what has been

taking place in drilling activities in PA. Apples and Oranges. That is not what you have here in Illinois. This has not occurred in Macon County. Again, we are a shallower, limestone formation and we are not truly fracking. We are stimulating the flow, meaning we are clearing out pores – a lot of it through what is called a slurry and limestone formation which has cavities in it. Where there are oil deposits, a paraffin like substance clogs those cavities and the drilling process shoots water/sand to clear out the cavities to stimulate the flow of oil to a center straight down vertical bore. Fracturing is across, not up, and the vertical is far less pressure. The industry that I am representing, the people who are looking to do a lot of drilling here, are very leery of misapprehension of what they do with this generic language in an ordinance. We know there are water quality concerns. The DNR regulatory scheme, which has inspected and takes reports on every drill and well has a 180 page set of regulations starting off with the protection of water quality. Through the potable water zone, there is required hard concrete casement under current regulation. There is no fracking at that level. There is concreted off. There is not an issue with respect to what we are doing here in Macon County. Go to the Illinois Oil and Gas Association (IOGA) and they have all the regulations there. They give the cautious view of over regulating. HB2615, which is actually an agreement between the industry and the environmental concerns is limited to what they believe needs watched and that is the hydraulic fracturing, the horizontal high pressure. With Wildcatters, they are always trying to find the money to drill the next hole. You cannot predict when they will pop another hole in the ground. There is a lot of activity slated; a lot of landowners with mineral rights that are real property rights. A regulation without a sound basis is nothing different than taking that property right from your property taxpayers in this county. As that gets severed out, that is something you may be able to tax. As Kevin has indicated, when we do this, there are some concerns over County and Township roads. The people involved are more than willing to engage in this course of dialogue of how they can deal with those issues. They have tried to be good in dealing with the road commissioners. We hope to be proactive in making sure the focus of anything we do is based on some science and on a real mischief. From my personal experience, I had a pit where the drilling fluid and the fracking took place. They fracked at three levels and they did use a lot of water. Most of that water is recycled and reused. It is hauled away from the site and taken to other well sites where you have to have a class II disposal well. That is regulated by the DNR and the EPA and subject to public notice. Everybody looks at it and approves it. You have a series of Class II injection wells that have been approved. They are regulated a lot. There is a potential for a lot of wealth in this county that does nothing but benefit the taxing bodies of the county. I hope that caution and well-studied decisions are made.

CLOSED SESSION

NEXT MEETING

April 18, 2013

ADJOURNMENT

Jerry Potts made a motion, seconded by Kevin Meachum to adjourn the meeting at 6:05 p.m.

Minutes submitted by Jeannie Durham
Macon County Board Office