

AGENDA

Pinedale Anticline Project Office (PAPO) Managers Committee Meeting

May 2, 2011

2:00 p.m.

Sublette County Library
155 S. Tyler St
Pinedale

PAPO Session

ATTENDING:

BOARD: Chairman John Corra (DEQ Director), Scott Talbott (WGFD Director), Don Simpson (WY BLM Director), Joel Bousman (Sublette County Commissioner); absent: Jason Fearneyhough (WDA Director)

STAFF: Shane DeForest (Field Manager, Pinedale Field Office), John MacDonald (JIO PAPO Coordinator), Sheila Keating (Management Analyst HDD), Windy Kelley (WDA/JIO/PAPO), Theresa Gulbrandson (BLM/JIO/PAPO), Duane Bays (BLM/JIO/PAPO), Therese Hartman (WGFD/PAPO), Dan Stroud (WGFD/JIO), Jennifer Frazier (DEQ/JIO), Brandi O'Brien (DEQ/PAPO); absent: John Ruhs (District Manager, Wyoming BLM High Desert District),

PUBLIC: John Emmerich (WGFD), Scott Smith (WGFD), Ann Dowd (ArchaeLOGIC USA), Art Reese (USQ), Linda Baker (UGRA), Darby Davis (WLT), Luke Lynch (TCF), Kaitlyn McAvoy (Pinedale Roundup), Mike Smith and Pete Guernsey (QEP), Alexis Berg and Aimee Davison (Shell), Eric August (Intermountain Aquatics), Jeffrey Soltis and Robert Field (UW), Dari Quirk (Rural Health Foundation of Sublette County), John Linn, Chad Espenscheid

Review and Approval of Meeting Minutes, PAPO Board Meeting of December 9, 2010:

- electronic approval given prior to meeting after being circulated via email
- Motion: Joel Bousman,
- second: Don Simpson;
- Board: unanimous agreement
- minutes are posted on the web

Agenda: there were no changes in the agenda

PAPO Staffing and Budget Updates

- Staffing:
 - + Duane Bays, is the new Data Manager for the JIO/PAPO and WLCI; he'll be working with Windy Kelly on JIO/PAPO data bases and data management
 - + Duane is the point of contact for operators as far as the database is concerned: Windy Kelley is the contact for reclamation issues; if technical questions arise concerning the database contact Duane; USGS is to no longer be contacted, database questions and training will go through Duane
 - + Brandi O'Brien, was recently hired to handle the DEQ inspections in the Anticline
 - + there is a vacancy in the reclamation position which may not be filled; at this time Windy and Therese are handling reclamation, Windy is the lead
 - + there is also a Range Specialist vacancy which may be filled if it is determined to be needed
- Budget: (budget spreadsheet provided)
 - + John MacDonald: reported \$1.7M available to invest in 2011 after monitoring and salaries are earmarked through 2015 which are estimated to be about \$1.7M per year; \$1.1M for wildlife monitoring contracts and \$600,000 for staff salaries
 - + Chairman: asked for/received clarifying information re data on budget spread sheet
 - + call for other questions: none

Investment Options for Escrow Funds (options and scenarios provided in briefing book)

John MacDonald: he and Sheila Keating have worked with the investment manager to identify short and long term investment options

- amounts in the attached portfolios were based on \$2.5 M being available; not sure that much is available for 2011 – it might be closer to \$1.7M
- Joel Bousman asked for discussion re laddering bonds
- John Cora: if determination is based on when the money would be needed, and invested in 2, 6, and 9 month instruments (laddered), risk is reduced
- John MacDonald: the other option would be to put funds required for the first 6 months – when spending is lower– into a short term investment and then put the rest in longer term
- Don Simpson:
 - + preference is to have the \$1.7M invested for the short term
 - + everything beyond that invested in laddered bonds
 - + let the investor determine the location of investments; he just needs to know how much to put in each kind of account
 - + give the investor 2 thresholds and let him pick
- John MacDonald:
 - + when he and Sheila visited with the investor, it was suggested to put \$1M in long-term funds and \$1.7M in short term investments and anything over that threshold into the longer term mutual funds
 - + Board needs to decide and finalize with the investor before June if they want to invest in 2011
- Don Simpson: the most conservative portfolio (Scenario 2) is the one likely to be used
- John MacDonald: he and Sheila will consult with Craig Showalter by a conference call and get his recommendations regarding risk and investment amount
- Motion: Don Simpson: to follow John's suggestion and making decision via conference call with the investor
- Second: Scott Talbott;
- Board: unanimous agreement

Recommended Project Proposals (staff memo/recommendations in briefing book)

- John MacDonald reviewed decision-making process:
 - + first time they have used this format, per earlier Board decisions
 - ✓ there is an open season for project application submissions which closes on October 31
 - ✓ applications can be viewed on the web and commented on by the public for 30 days until November 30
 - ✓ after November 30 staff evaluates all applications leading to the recommendations to the Board
 - + decline in mule deer populations guided proposal recommendations for the PAPO this year; proposals were not recommended if outside the Sublette mule deer herd area
 - + of the selected proposals, many are not recommended for the full funding requested due to budget considerations
 - + 3 were selected for recommendation to the Board:

Wildlife Friendly Fencing Phase 2

- Staff recommendation to fund at half the request i.e., \$125,000; trying to save money for the more expensive habitat improvement activities in 2012
- PAPO will move forward with habitat improvement proposals either generated from the public or internally
- Motion: Joel Bousman to fund at full requested amount of \$250K;
- Second: Scott Talbott;
- Discussion
 - Don Simpson: this is a good investment and existing friendly fencing project has shown there is a value if focused on critical corridors;
- Board unanimous agreement to fund at full requested amount of \$250K with the stipulation that the Sublette mule deer herd unit area be given priority

Bald Eagle Key Habitat

- Staff recommended because of a need to fill a gap in data knowledge about this species;
- \$114,850 requested, \$60,000 recommended
- Joel Bousman: how does this meet the criteria to provide mitigation?
- Therese Hartman: currently no one has the data to understand how the bird uses its habitat; and therefore, what mitigation efforts are needed and where
- Motion: Joel Bousman to fund at recommended \$60K level,
- Second: Scott Talbott;
- Board unanimous agreement

Mesa Fertilization

- Proposal from the WGFD was to apply fertilizer over 31,000 acres on the Mesa over a 10 year period, at the cost of \$2.2M, in order to improve mule deer habitat
- John MacDonald: There are 2 views regarding fertilization of sagebrush. One is that something should be done immediately to try and enhance sagebrush habitat that could benefit mule deer. The other view is that not enough information is available about fertilizing sagebrush and we should wait for results from the 468 acres that were fertilized in 2010 before proceeding with more fertilization. The JIO/PAPO team drafted a compromise alternative to the proposal. This involves fertilizing 1000 acres in 2011 with the option of 2000 more acres in 2012 depending on the results from 2010 and 2011.
- Motion: Joel Bousman to fund \$71,900 for 1000 acres for 2011; no second
- Discussion by Board, including questions and comments from the public, about:
 - how to know if fertilization works
 - how to deal with the timing of when results are known and when the next round of application would be applied, i.e. will be fall 2011 before results are known about the 468 acres fertilized in late 2010
 - ✓ production data will be available by late August 2011 (for herbaceous; shrub production won't be collected until late September or early October)
 - ✓ fertilizer applications are made in late fall/early winter in time with the first snowfall
 - there is need to get good data on precipitation levels throughout the application area; JIO/PAPO will purchase precipitation gauges and install them in the project area
 - plans to survey proposed application areas to make sure invasive species are not present, i.e. cheatgrass, and if present to not apply to those areas
 - the need to remove areas from the project in which soils are not conducive to fertilization treatments
 - need to have RFPs the same from year to year to provide continuity and consistency
- Art Reese (QEP): disagreed with reduced scope of project, urged Board to consider funding for 10 years for 31,000 acres and do the NEPA on entire proposal; there is literature supporting the effectiveness of sagebrush fertilization
- John MacDonald: suggested that other habitat enhancement projects that were longer-term could be proposed that would reduce the necessity of short-term benefit fertilization; it's too early to do a full development NEPA document at a cost of \$50-75K
- Motion: Don Simpson to fund for 2 years/3000 acres at \$215.7K; no second
- Chairman: Board member Jason Fearneyhough has expressed his support for the reduced acreage/alternate project in telephone conversation with the Board
- Discussion continues:
 - how to measure results and manage succeeding year funding requests and how much data is needed to make valid measurements
 - how to know when and if the full project will be warranted/needed

- this kind of project does not constitute disturbance of sage grouse habitat
- as a pilot project, the need is to determine the most efficient and practical approach for all aspects and start from there
- consent developed among the Board to approach the project in phases
 - 2 years of funding would do about 10% of the original project and provide enough data to make a decision regarding the balance
 - at the end of the 2 years may be able to determine there are better options and the full project isn't needed
 - also includes an exit strategy if not panning out
- Motion: Scott Talbott to earmark \$215.7K for the project
- to only spend \$71.9K for the 1,000 acres in 2011
- to evaluate 2010 and 2011 results and move forward with the 2012 2000 acres if positive results from previous years;
- Amended: Don Simpson to require that decisions to move forward, or not, for years 4-10 of the project be based on the results of years 1-3;
- Amended: Joel Bousman to require good precipitation data be included in the final results
- Chairman called for the question
- the motion was read in full as amended;
- Seconded by Don Simpson;
- Board unanimously approved
- John MacDonald: precipitation gauges will be purchased for the

PASQUA Update by Dr Robert Field (summary provided in briefing book)

- the following objectives and results were discussed:
 - 1) mobile laboratory monitoring via 2 stations
 - 2) spatial VOC surveys, using canisters outside mobile areas
 - 3) passive spatial BTEX & NOX survey
- the first year of monitoring was successful with all objectives met
- he outlined their strategy for the 2nd year, including funding sources and allocations toward the total needed
- he asked the Board for funding in the amount of \$269K, this included
 - + the remaining earmarked funds of \$204,333K
 - + plus an additional \$65K for 3rd year, based on \$40K personnel, \$10K electric/air; \$5K consumable supplies and bills, and \$20K for extra BTEX and NOX surveys
 - + plus up to another \$50K as a contingency equipment fund
- Question and answer with Board and public re the role of NOX and VOCs in creating ozone, how the results to date point toward areas of further investigation such as ethane and its sources from oil/gas operations activities on high ozone days
- Motion: Joel Bousman to release \$204,333K, plus \$65K additional=\$269,333;
- Amended by John Corra for \$270K total to the project;
- Second: Scott Talbott;
- Board unanimous decision and thanked the University of Wyoming for contributing to the costs.

Public Comment

- Aimee Davison, Shell
 - + PAPO funding was truly created to monitor and address triggers shown to negatively affect wildlife, through mitigation measures
 - + mule deer are the highest priority and projects to mitigate should be highest priority for funding
 - + when the Board considers new projects, those projects not focused on mule deer mitigation should be a lower priority
 - + Shell appreciates the efforts for mule deer as it is a priority for all the operators
- Linda Baker, UGRA
 - + agrees with Aimee's remarks

- + believes public reporting is lacking, for example, what's on website re conservation easements is missing pages
- + is concerned about the overall value of conservation easements and doesn't believe data is available to evaluate
- + wants the public to be more included in more of the discussions taking place
 - John MacDonald: the project application and evaluation process contains a 30 day comment period for the public; all the information was on their website prior to project selection and there was ample opportunity for the public to comment
 - Chairman: the Board and staff will continue to keep the effectiveness of conservation easements in mind

4:30 Adjourn PAPO