



MEMORANDUM

TO: CITY COUNCIL

FROM: STEVEN ADAMS, CITY MANAGER SA

SUBJECT: CONSIDERATION OF REQUEST TO SEND LETTER TO THE SAN LUIS OBISPO COUNTY BOARD OF SUPERVISORS IN OPPOSITION TO HYDRAULIC FRACTURING IN SAN LUIS OBISPO COUNTY

DATE: FEBRUARY 25, 2014

RECOMMENDATION:

It is recommended the Council provide direction to staff on whether to prepare a letter for signature by the Mayor to the San Luis Obispo County Board of Supervisors in opposition to hydraulic fracturing ("fracking") in San Luis Obispo County.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

There is no impact to financial or personnel resources from this action unless staff is requested to provide research and a recommendation, which would require substantial staff time and is not a Critical Needs Action Plan item.

BACKGROUND:

At the January 28, 2014 meeting, Council Member Barneich requested, and the City Council agreed, to place an item on a future Council Meeting agenda to discuss whether to send a letter to the San Luis Obispo County Board of Supervisors in opposition to fracking in the County of San Luis Obispo. The item was in response to a request from Kevin McCarthy, who represents Arroyo Clean Water Advocates (ACWA).

The request was to send a letter similar to one sent by the City of San Luis Obispo. A copy of their letter is provided in Attachment 1.

ANALYSIS OF ISSUES:

Hydraulic fracturing is the fracturing of rock by a pressurized liquid. Induced hydraulic fracturing or hydrofracturing, commonly known as fracking, is a technique in which typically water is mixed with sand and chemicals, and the mixture is injected at high pressure into a wellbore to create small fractures along which fluids such as gas, petroleum, uranium-bearing solution and brine water may migrate to the well. Hydraulic pressure is removed from the well, then small grains of sand and aluminum

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oxide hold these fractures open once the rock achieves equilibrium. The technique is very common in wells for shale gas, tight gas, tight oil, and coal seam gas and hard rock wells.

Nearly all natural gas extraction today involves fracking. Proponents of this technique point to the economic benefits from the vast amounts of formerly inaccessible fuels the process can extract, which has been instrumental in increasing energy independence in the United States. Opponents point to environmental risks, including contamination of ground water, depletion of fresh water, contamination of the air, noise pollution, the migration of gases and hydraulic fracturing chemicals to the surface, surface contamination from spills and flow-back, and potential increases in earthquake activity.

However, there is substantially varying positions regarding the safety of fracking and staff found it difficult to find impartial studies. The Environmental Protection Agency (EPA) is currently preparing an extensive study on fracking at the request of Congress, but it is not yet complete. Fracking is not currently allowed within the city limits of Arroyo Grande. Staff does not have the expertise to provide an adequate analysis and/or recommendation on this topic. Attached is a copy of information provided by ACWA.

ALTERNATIVES:

The following alternatives are provided for the Council's consideration:

1. Direct staff to prepare a letter to the County of San Luis Obispo Board of Supervisors identical to the letter sent by the City of San Luis Obispo;
2. Direct staff to prepare a letter with different content;
3. Direct staff to prepare a letter in support of fracking;
4. Delay action until the EPA study is complete;
5. Do not take any action on the request; or
6. Provide staff direction.

ADVANTAGES:

The letter would express concerns to the Board of Supervisors to help prevent the potential negative environmental impacts from fracking.

DISADVANTAGES:

The letter would take a position on an issue that does not appear to have a direct impact on the City of Arroyo Grande. Elimination of fracking practices would ultimately have a negative impact on the country's energy supply and staff has not been able to provide conclusive evidence regarding its environmental impacts.

ENVIRONMENTAL REVIEW:

No environmental review is required for this item.

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PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted in front of City Hall on Thursday, January 23, 2014 and on the City's website on Friday, January 24, 2014. No comments were received.

Attachments:

1. Letter from the City of San Luis Obispo
2. Fact Sheet Provided by ACWA