

From:Ed Anzek, AICP, DirectorTo:Planning CommissionDate:March 20, 2015Re:Proposed Oil and Gas, and Pipelines Ordinances

As directed by City Council, attached are the Ordinances drafted by John Staran for the Planning Commission's review and consideration. The first is an updated, alternative version of the proposed Zoning Ordinance amendment to adopt regulations on oil and gas well drilling and operations. The second Ordinance is the separate Pipeline Ordinance, which is essentially in the same form as the Planning Commission had previously seen. Also attached is the original draft Ordinance amendment for oil and gas wells. We have also included a map that shows the areas within 1000 feet of a residence, place of worship, schools, etc. The red hatched areas are the industrial zoned lands where the oil and gas drilling would be permitted. Note: that only the red hatched areas that are white underneath would meet the 1000 foot distance detailed that is included and described in more detail as follows.

The following components have been added to the new version of the oil and gas Zoning Ordinance amendment:

- The Ordinance will restrict oil and gas wells to Industrial Zoning as a permitted use. It clarifies that processing, storage and refining are conditional uses in the Industrial district.
- The setback (or distance from) for oil and gas wells has been increased to 1,000 feet from residential dwellings, places of worship, schools, hospitals, child care center and public parks. The Ordinance expressly states that this does not restrict or prohibit underground horizontal or directional drilling, which is what Auburn Hills has in its Ordinance.
- In addition to providing a copy of the EIA that the well owner/operator files with the MDEQ, the owner/operator must provide the City with a hydro-geological study and must install at least one groundwater monitoring well and must provide the City with test sample results. This is consistent with the new Supervisor of Wells Instruction.
- The perimeter fence must be at least six feet high.
- All operations must be conducted in accordance with MDEQ's "best practices" in regard to odor, dust, noise, and nuisance control.
- Exterior lighting must be shielded and comply with Zoning Ordinance exterior lighting standards.
- The well owner/operator must conform to the Performance Standards in the Zoning Ordinance regarding dust, odors, noise, etc.
- Completed well head structure is limited to 22" in height.

- Measures or controls must be satisfactory to the City Engineer regarding drainage, run-off or discharge of hazardous materials. No off-site discharge of stormwater is allowed except to an approved drainage system.
- All brine, mud, wastewater, chemicals and waste must be properly disposed of to prevent infiltration or damage to any water wells, wetlands and watercourses.
- Injection wells are prohibited.
- The site must be kept in a clean and orderly condition.
- Landscaping to limit public view must be provided in accordance with the City's landscape and screening requirements. A Type E buffer must be provided.
- The City Engineer must approve roads and routes for trucks and equipment traffic.
- The well owner/operator must provide emergency contact information and an emergency response plan.
- Hydraulic fracturing ("fracking") is prohibited.

Pipeline Ordinance

The Pipeline Ordinance is drafted as a non-zoning regulatory Ordinance. It regulates the pipelines the City is not preempted by Federal and State law from regulating such as flow lines, gathering lines, production lines and transmission lines. The Ordinance requires the pipeline owner/operator to obtain a City pipeline permit from the City Engineer. Pipelines going through residential areas require City Council approval. The Ordinance contains a number of standards and requirements the pipeline must meet. Emergency contact information and an emergency response plan must be provided, along with appropriate markers and a performance guarantee.

Summary

Mr. Staran will be present to outline the framing and parameters of the new oil and gas Ordinance.

Please note that the City Council has extended a 6 month moratorium on Oil and Gas operations. This extension was necessary since the original 6 months expired at the end of February.

Also be aware that only the Oil and Gas Ordinance would be an amendment to the Zoning Ordinance, and that the Pipelines Ordinance would be added to Chapter 94 of the City's Codified Ordinances.

Council referred the Ordinances to the Planning Commission to hold a Public Hearing, review the Ordinances and make a recommendation to Council. Staff has noticed the March 24, 2015 meeting for a Public Hearing and has sent a copy of the notice to every person on record that has spoken at a City Council or Planning

Commission meeting. If the Planning Commission agrees with the drafts as prepared or amended during discussions staff is providing sample motions for consideration:

MOTION by ______, seconded by ______, the Rochester Hills Planning Commission hereby recommends that City Council adopts an Ordinance to amend Section 138-4.300, Table of Permitted Uses by District; add new section 138-4.425; and re-number existing sections 138-4.425 through 138-4.445 of Chapter 138, Zoning, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan to regulate oil and gas wells, repeal conflicting or inconsistent Ordinances and prescribe a penalty for violations.

MOTION by ______, seconded by ______, the Rochester Hills Planning Commission hereby recommends that City Council adopts an Ordinance to add new Article VI Pipelines to existing Chapter 94, Streets, Sidewalks, and Certain Other Public Places, of the Code of Ordinances of the City of Rochester Hills, Oakland County, Michigan to regulate the construction and permitting of pipelines in the City, repeal conflicting or inconsistent Ordinances and prescribe a penalty for violations.

Thank you.

i:\pla\planning projects\oil & gas\pc mtg. 3-24-15\memo anzek 3-20-15.doc