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June 12, 2014

Board of Supervisors
County of Santa Barbara
105 East Anapamu Street
Santa Barbara, CA 93101

via electronic mail

Re: The Healthy Air and Water Initiative to Ban Fracking

Dear Chair Lavagnino and Honorable Supervisors,

We would like to respond to the County Impact Report.

Our take aways from the report is that a risky boom using high-intensity techniques is imminent – nearly doubling current production in the near future. It also shows that the oil industry has drastically overstated its economic importance, at most contributing to 1% of county employment. The ban will have no immediate cost or impact to tax revenue. It is fully in alignment with existing county law and could lead to infrastructure cost savings.

Oil companies are ramping up use of risky, high-intensity techniques that pose a greater risk to water, air and health than conventional drilling. Currently, the majority of active wells are not using enhanced techniques. According to DOGGR and verified with Kevin Drude, 82% of current wells are conventional, but that is changing. The threatened proliferation of thousands of new wells threatens the County's famed scenic vistas, robust tourism industry and quality of life.

The Water Guardians is a coalition of concerned citizens and organizations deeply concerned about heading off this dangerous expansion. Hundreds of volunteers gathered 19,000 signatures, of which 16,000 were deemed to be valid registered voters, 3000 more than need to qualify the initiative.

Please see the attached detailed response to the Impact Report.

Regards,

Katie Davis

Katie Davis
Santa Barbara County Water Guardians
waterguardians.org

Detailed Response to County Report

It is clear that a profound shift is taking place in oil production in Santa Barbara County. We are going from mostly conventional drilling, to a boom using risky, water-intensive and emissions-intensive techniques that put our water, air, health, property values and economy at risk.

A report prepared by county staff will be presented at the County Board of Supervisors hearing on June 13. Of note in the report:

- The county report mistakenly interprets the initiative as applying to “well maintenance” and so mistakenly concludes that all current active wells use enhanced recovery. This is incorrect and inconsistent with the definition of enhanced recovery given in the report itself.
- The correct number is that 82% of current active wells in the county are conventional and do NOT use enhanced recovery. (According to DOGGR and verified with county staff.)
- The report details a huge, potential new increase in oil production in the county with 903 permitted, proposed and anticipated wells – which would nearly double onshore development – of which 89% propose to use high-intensity techniques that have been linked to groundwater contamination, poisoned crops and other impacts elsewhere. That means our county and water supply is at imminent threat.
- The report notes that the initiative does not apply to current production, approved projects or future conventional drilling – only future drilling using specific techniques.
- The report notes that no wells are hydraulically fractured – currently. However, the report fails to note that there has been fracking in the past and oil companies are likely to try again. One case in 2010 caused outrage when a vineyard was fracked without the owner’s permission. We have found at least 2 other fracking cases listed by DOGGR. In addition, there is extensive and well-documented fracking offshore and in Ventura and Kern Counties. If this ban is not enacted, we are likely to see use of fracking and acidizing in the near future.
- The county reports that only 2.5% of property tax revenue currently comes from oil and gas companies. This important finding shows that oil is not a major contributor to county revenue. The report also states that there would be no immediate impact on county tax revenues. In fact, the ban could actually increase net property tax revenue as the overall value of properties and businesses is higher in counties without extreme extraction.¹
- The county reports that even including indirect and induced effects oil production currently only accounts for 1% of employment. This important finding clearly shows that oil is NOT a major employer. Extreme extraction puts the other 99% of jobs in ag, tourism, wine, tech and other significant employment sectors at risk. Since counties without extreme extraction tend to have better economic outcomes,² the overall net impact to jobs from a ban on these techniques is likely positive.
- The report notes that there is no inconsistency with existing county law.
- It also notes that the ban could lead to cost savings, e.g., lower costs for maintaining roads and other infrastructure heavily impacted by oil production.

¹ “Fracking the American Dream: Drilling Decreases Property Value” Compilation of studies and research, Resource Media, November 2013 (<http://goo.gl/CRTU4>)

² “A study of 26 counties in western US states that have based their economic development on the extraction of fossil fuels shows that these counties have not performed as well as similar counties without extraction industries. Both their average annual growth in personal income and their employment growth were lower than their peer counties without extraction industries” How shale gas extraction affects drilling localities: Lessons for regional and city policy makers by Susan Christopherson and Ned Rightor, Journal of Town & City Management (2012)