



Legislation Text

File #: Pres 19-385, **Version:** 1

Regional Operator Agreement Update

Summary and Background Information:

After close to a full year of negotiations, the city has reached a draft Regional Operator Agreement (ROA) with Extraction Oil and Gas, LLC. The draft agreement was made open for a three week public comment period between July 8th and July 29th, allowing the general public to submit feedback for consideration before the city takes official action on the agreement.

The ROA sets requirements for the city and Extraction in the operation of Extraction's proposed well pad sites in the city, but does not act as an approval for drilling. The ROA includes Best Management Practices (BMPs) designed to address health, safety, quality of life and environmental concerns. The BMPs cover categories such as air and water quality, noise, traffic reduction, inspections, emergency management and many other topics. The City's priorities throughout the process have been to minimize impacts and maximize protections for the community while respecting private property rights.

Per direction from Council, staff conducted an additional meeting with members from the previous focus group, in order to get specific comments and feedback regarding the draft agreement. Attendees of the meeting provided specific comments regarding the strengthening language as it relates to enforcement of terms of the agreement and defining "maximum extent practicable", and wanted to see additional analysis on the fee amounts being requested for ongoing inspections and air quality monitoring. The attendees also provided more general comments, such as the city should be receiving additional tax revenue from oil and gas operations, some feeling that signing the agreement prior to the state conducting its rulemakings would be premature, and others feeling that the agreement set the bar high for oil and gas operations in the city.

During the public comment period, the city received a total of 384 comments. Staff is currently in the process of reviewing all comments and feedback that were received, and evaluating them for feedback that can practically be incorporated into the final executed agreement. Additional negotiations may need to occur with Extraction in order to incorporate revisions. Staff will schedule an additional presentation with council once all public comments have been examined thoroughly, and before a final decision is made regarding the agreement.

Staff Responsible (Department Head): Roger Tinklenberg, Acting Community Development Director

Staff Member Presenting: Domenic Martinelli, City Planner