

Compiled by the Wyoming Energy Commission

# Appendix “D”

**COMMUNITY OUTREACH**  
**DRAFT REPORTS ONLY**  
**OVERVIEW**  
**COMMUNITY ISSUES AND RECOMMENDATIONS**  
**CONCERNING FUTURE ENERGY DEVELOPMENT**  
**IN CAMPBELL COUNTY**

**D R A F T**

**INTRODUCTION**

The following summary presents an overview of community issues and recommendations concerning future energy development in Campbell County that reflects the insights and recommendations of various community leaders in Campbell County. The purpose of the summary is to identify relevant community issues and recommendations that can be addressed and integrated into the future strategies and actions of the Wyoming Energy Commission.

A series of individual and group discussions with selected community leaders in Campbell County were facilitated by representatives of PPC between late September and early October 2001. Information gained from each interview or discussion was documented and retained to enable future reference by the Wyoming Energy Commission.

PPC will prepare more specific policy strategies that can be pursued by the Wyoming Energy Commission after the summaries of community issues and recommendations are completed for each of the six counties. The aim of these anticipated strategies will be to:

- get local government more prepared to accommodate future energy development;
- enable the abilities of local governmental agencies to respond to the consequences of energy development; and,
- link selected activities of State and local government to encourage future energy development.

**GENERAL**

Since the late 1950's, Campbell County has experienced three energy related booms:

- an oil development boom from the late 1950's through the mid-1960's;
- the development of surface coal mines from the late 1970's through the early 1980's; and,
- the ongoing coal bed methane boom that began in late 1998.

Most community leaders interviewed by Pedersen Planning Consultants noted that the ongoing economic boom associated with coal bed methane exploration and production differs significantly from the previous two economic booms. Coal bed methane development is scattered throughout most of Campbell County. Past booms were characterized by more site-specific energy development. Consequently, community leaders in Campbell County view the impacts of more recent energy development as more pervasive and more significant to its affected communities.

The primary community impacts associated with ongoing coal bed methane development appear to focus upon housing, infrastructure, police and fire services, social services, and public safety. These impacts have, in turn, affected the availability and stability of the

employed work force, increased employee wages and salaries, increased the demand for public services, required the development of expanded and new public facilities, and increased the financial requirements of municipal and county government.

Community impacts and related recommendations are briefly summarized in the following paragraphs from the perspective of community leaders. Supporting statistics were almost entirely provided by the municipal, county and quasi-public agencies that participated in the discussions of community issues and recommendations.

## **HOUSING**

### **Housing Issues**

Housing assessments, published by Campbell County Economic Development Corporation in May 2000 and May 2001, reveal that housing in Campbell County has gradually become extremely limited and considerably more expensive since 4Q 1998. The ongoing coal bed methane boom has generated significant rental and fee simple housing demands within the Gillette Urban Service Area, the Town of Wright, and the unincorporated area of Campbell County.

The significance of this housing issue is as one community leader remarked: "It depends where you are in the food chain". If you have a financial interest in an apartment complex, mobile home court, or a local motel, you have derived significant benefits from recent increases in housing demand and the lack of housing to meet those demands. If you own a larger tract of land in Campbell County's unincorporated area, you may have gained some rental income from workers who wish to park a recreational vehicle or rent a vacant bunkhouse.

In contrast, the new incoming worker is seeking housing in an unfamiliar community where housing opportunities are limited and prices are rising. New incoming workers are being attracted to Campbell County with the hope of earning some good money. Higher housing prices diminish that objective and the desire to remain in the economy for any length of time. The lack of housing frustrates workers who are working 12-hour shifts as they have little time to make an extensive search for housing.

Increased housing costs have, in part, increased the overall cost of living for most households in Campbell County. Law enforcement representatives point out that this stress has contributed to more petty theft, domestic violence, and other criminal behavior.

#### *Gillette Urban Service Area*

The lack of housing in Gillette has been exacerbated by the reluctance of local housing developers to build new rental and fee simple housing. They remember the personal losses incurred by the developers of apartment complexes in the mid-1980's.

However, some investors from outside of Campbell County began to recognize opportunities to address rental housing and fee simple housing demands in early 2001. The construction of roughly 140 new housing units have been completed or are nearing completion in the Gillette Urban Service area.

With the exception of one proposed multi-unit apartment complex, most investors are developing new residential lots in Gillette that eventually will be improved with new manufactured housing. Other housing projects in the community remain in the planning stage. However, newly developed and planned housing projects are expected to be

insufficient to meet anticipated housing demands during the next several years.

Community leaders recognize the direct and indirect consequences of a tight and expensive housing market. In 2001, the City of Gillette worked to help expedite the approval of new housing development projects that are proposed by private residential developers. In 2001, the City of Gillette helped encourage some new residential development by appropriating some funds for the connection of housing projects to its municipal water and wastewater systems. Otherwise, community leaders continue to rely upon private industry to respond to future housing demands.

### *Wright*

Diminished housing inventories and rising housing prices did not become as evident until 1Q 2001. Limited temporary housing opportunities remain available in Wright. The capacity of local apartments, townhouses, and mobile home courts will quickly be saturated with any new power plant development in southern Campbell County.

The North American Power Group (NAPG) has indicated it will eventually build an 800-man construction camp in Wright. This opportunity is primarily due to the foresight of the Town of Wright to reserve vacant municipal lands that could be used for this purpose. However, the realization of this opportunity is dependent upon NAPG's resolution of financing and transmission requirements for its Two Elk Power Plant project.

The Town of Wright recently modified its zoning ordinance to permit the construction of new manufactured homes in residential areas. This action has already facilitated new residential development on vacant lots within the Town. While community leaders have lingering thoughts about what will happen when the boom ends, they take comfort in their adoption of more stringent housing standards.

Wright has the opportunity to develop other vacant lots and larger vacant properties. The Town of Wright's existing land use plan and related zoning encourage residential development in these areas. However, two larger landowners in the community have been slow to respond to market demands or have expressed no interest in developing higher density housing projects within the community.

### **Unincorporated Area of Campbell County**

The unavailability of housing and higher housing prices in Gillette, as well as a preference by some to reside in a more rural environment, have led some new incoming residents to construct or purchase new homes in the unincorporated area of Campbell County. The Campbell County Planning Commission does not require building permits; consequently, no reliable estimates can be made of the amount of residential growth generated in the unincorporated area of the County. Available residential sales and electrical utility information provides some insights, but ultimately present an incomplete picture of the extent and location of rural residential development trends.

### **Community Recommendations**

1. The Wyoming Community Development Authority (WCDA) participates in the financing of selected affordable housing development projects. In its evaluation of future private industry projects, the WCDA should give extra points for housing projects in communities affected by ongoing or anticipated energy development.
2. When energy booms occur, there is an opportunity to get many unemployed and lower

income people into the employed labor force. At the same time, rising housing costs constrain their ability to enter the labor force. Make more section 8 housing vouchers available to lower-income individuals. Direct the Cheyenne Housing Authority, who administers Wyoming's Section 8 program, to change its housing subsidy formulas to reflect regional differences in cost-of-living and housing market conditions.

## **INFRASTRUCTURE**

### **Road Issues**

#### *Campbell County*

Campbell County has approximately 1,000 miles of road. About 300 miles of these roadways are contained within subdivisions. Roughly 250 to 300 miles of the 1,000 miles of roads have been impacted by coal bed methane activity.

Campbell County is experiencing a serious dust problem that is being generated from a significant increase in vehicular traffic, particularly water trucks, on County roads. While increased traffic is generating greater dust emissions, a related problem lies in the County's use of scoria that is readily available in Campbell County. Scoria is not a hard mineral material; consequently, it breaks down quickly when subjected to greater vehicular traffic.

The dust emissions are significant enough in some areas to impact cattle grazing in some areas. Some ranchers have indicated to the Campbell County road and bridge supervisor that cattle are not eating grasses on adjoining lands within about 0.25 mile of both sides of some county roads.

Campbell County has been applying some magnesium chloride along its own roadways for dust suppression. The County is also applying this compound along roads to CBM compressor stations if CMB companies furnish the magnesium chloride for the County's application.

To control growing dust emissions, Campbell County is also obtaining gravel from Johnson County for about \$6 per ton. Road and Bridge Supervisor Robert Lowry is continuing to import more gravel because he believes that this is the most effective road material that can be used to reduce growing dust emissions from increased vehicular traffic.

#### *City of Gillette*

During the last two years, the City of Gillette has experienced a 12 to 15 percent increase in truck traffic on City streets. The change in vehicular traffic composition has impacted the estimated life of various City streets.

### **Community Recommendations**

#### *Roads and Dust Emissions*

1. A consultant to the State Department of Environmental Quality recently completed a study of dust emissions in Campbell County. The Campbell County Commissioners would like the State of Wyoming to share the results of that study with the County Commissioners. Commissioner Alan Weakly indicated that the County would also like to see this study expanded to determine other sources of non-traditional dust, i.e., particulate matter under 10 microns, such as the railroads, diesel engine generators, and other private transportation. With this information, cooperative efforts between the railroads, the coal bed methane

industry, coal mines, as well as State and local government could be pursued more effectively to address dust emissions in the County. In the absence of this information, future energy development opportunities could be thwarted or eliminated unless the particulate standards, i.e., PM10, in Campbell County are addressed. If particulate standards are not met, the U.S. Environmental Protection Agency has the option to assume responsibility for enforcement of air quality standards unless the State of Wyoming addresses violations in some other manner.

2. The County road and bridge supervisor recommends that road and bridge departments in other counties use gravel whenever possible in light of its effective reduction of dust emissions. From his experience, he would use gravel in a county impacted by energy development even if this material was 2 to 3 times the cost of scoria or limestone.

#### *Road and Street Improvement Priorities*

1. WYDOT should set up a separate budget fund that would enable the agency to respond more quickly to improvements for State roads within communities that are being impacted by an energy development boom.

2. Improve State Highway 59 to become a 4-lane State Highway between Gillette and the Campbell/Converse County line. Others have recommended that the four-lane highway should extend to Douglas where Highway 59 connects to Interstate 25.

3. If the State of Wyoming intends to continue its pursuit of energy development in the Powder River Energy Basin, Highway 59 needs to be improved as soon as possible.

#### **LAW ENFORCEMENT**

##### **Campbell County**

The County Sheriff's Office has noticed an increase in traffic, not just near Gillette, but also all over Campbell County. An increased resident population now generates more traffic on County Roads that, in the past, were used considerably less. County Roads that once served only a few cars per day now see use by 50 to 60 cars per day.

As a direct result of recent CBM development, the County Sheriff has seen an increase in larceny, destruction of private property, family violence, and child abuse. Many of the ills of these increased crimes are directly attributable to alcohol and drug problems. The U. S. Attorney in Wyoming has said that Campbell County has a narcotics problem. The use of alcohol and other drugs ties back to increases in resident population, the kinds of people coming into the area, the motivation associated with most crimes committed, and the lack of law enforcement and social services to deal with them.

As a result of the boom, Campbell County will be adding 36 cells to its existing jail. This addition will maximize the number of cells the jail was originally built for. However, the County Sheriff's Office is unable to secure an available contractor because local building contractors are all busy. It was hoped that the addition to the county jail would be completed by mid to late 2002.

##### **City of Gillette**

The number of police calls continue to rise. Statistics provided by the City of Gillette Police reveal that the number of calls responded to by an officer rose from 21,652 calls in 1999 to 23, 191 calls in 2000. This represents a seven percent increase in one year.

A 26 percent increase in traffic violations occurred between 1999 and 2000. Vehicular accidents increased almost 18 percent. City Police representatives believe that these increases are probably due, in part, from a significantly higher proportion of truck traffic and increased traffic volumes.

City Police representatives see a difference in the character of people coming into Campbell County. They indicate that this has increased the amount of crime in Gillette. Evidence of these conclusions are evident from some of the changes that have occurred between 1999 and 2000. Available information from this period indicate some of the following trends:

- A 12 percent increase in criminal arrests.
- A significant increase in arrests associated with aggravated assault.
- More breaches of peace, property destruction, and fraud arrests.

A significant cause of the increase in crime stems from the heavy amount of shift work in both CBM development and the service economy. The lure of desirable wages encourages parents to often work long hours. Unfortunately, the consequence of this trend leaves many children at home unsupervised.

Police representatives point out that most crimes committed in Gillette are based upon drug and alcohol use. Meth-amphetamines are a growing concern in the community because of the quick addictiveness of these drugs. A one-time user can easily become addicted. Consequently, sellers who are also regular users usually distribute this drug. As more money is needed to sustain their drug habit, sellers and users often commit crimes to obtain money. Drug users are also more likely to be involved in marital and child abuse.

### **Community Recommendations**

None.

### **FIRE AND EMERGENCY MEDICAL SERVICES**

#### **Issues**

The Campbell County Fire Department is actually a joint city-county department. The department comprises 17 career firefighters, 13 front-line firefighters, and 170 volunteers that work in 10 stations in the County.

Prior to the ongoing CBM boom, the Fire Department responded to 1,169 emergency calls in 1997. In 2000, the number of emergency calls increased to 1,631. This represents a 40 percent increase in only three years.

Prior to the CBM boom, the base of fire volunteers was business community and local coal mines. Many firefighters have left previous employers and obtained employment opportunities within the CBM industry. New employers are considerably more reticent to permit employees, who are volunteer firefighters, to take time off to respond to fire calls.

The Fire Department recently lost 4 senior firefighters who had 80 years of combined experience. These personnel left to accept better paying job opportunities. In the interim, the Department is seriously considering 12-hour workdays to adequately respond to emergency calls.

There are no safety standards that are being applied in the coal bed methane exploration and

production areas. Most of the larger CBM companies have adopted operational and safety standards. However, subcontractors do not necessarily follow them, or are subcontractors monitored to ensure that standards are followed. In the aftermath of some industrial accidents, the County Fire Chief has witnessed CBM contractor crews who are somewhat drunk and/or unprepared to carry out work safely. The inability of industry to locate an adequate workforce contributes significantly to this problem.

The Campbell County Fire Chief is disturbed that the State Fire Marshall's Office is unable to investigate most arson cases as there is only one state-employed arson investigator.

The County Fire Department cannot investigate most explosions. Investigations requirements by OSHA do not apply unless there are three or more injuries associated with an explosion. The Fire Chief can circumvent these requirements by holding a site secure and obtaining a criminal warrant.

Only one electrical inspector makes electrical inspection in all of NE Wyoming. The State Fire Marshall has assigned one electrical inspector for each of four regions in Wyoming. Consequently, many electrical installations are never inspected.

The County needs a conclusion for operational standards for CBM drilling in and around populated areas. The City of Gillette attorney, has worked with the Fire Chief to develop some standards; however, no standards have been adopted.

### **Community Recommendations**

1. Counties that comprise one or more towns within an 8-mile radius should consider working more cooperatively. The trend in many fire departments outside of Wyoming is for each station to specialize in different aspects of fire fighting and emergency response. Through the coordination of responses via a central dispatch, smaller communities can expand capabilities rather than duplicate expensive equipment.
2. In any community impacted by energy development, local counties need to inform energy development companies with information that describes the type of emergency services it can and will provide. With this information, energy development companies will be able to know what kind of support they can expect from local government. Industrial fire brigades are often established by energy development companies; however, additional support is sometimes required.

### **SOCIAL SERVICES**

#### **Issues**

The Council of Community Services provides low-income individuals and families, as well as those persons in crisis, with food, lodging and medical care. The Council also provides six apartment for homeless families for up to two years; eight apartments for mentally ill persons, and temporary accommodations for those persons in crisis situations.

Economic booms often attract larger numbers of low-income persons who envision potential job opportunities. However, the lack of technical skills and poorer work habits among some incoming residents often lead to no job being found. Food pantry statistics from the Council of Community Services (CCS) reveal an influx of roughly 3000-3100 low-income adults and children coming into Campbell County each year to receive food services. In 2001, these statistics point to a potential increase in greater food services to low-income individuals.

While energy booms provide an opportunity to get many unemployed and lower income

people into the employed labor force, rising housing costs can constrain their abilities to enter the labor force. In Wyoming, recent cost-of-living data indicates that Gillette is the second most expensive community to live in.

The lack of affordable housing and the high cost of market housing represents a significant impact on lower-income persons and families. The Council of Services provided non-emergency housing to 80 persons in 1998 compared to 238 persons in the year 2000.

Parkside Apartments, located in Gillette, maintains about 95 or 96 apartment units for subsidy. This apartment complex is now for sale. When it sells, it will likely be converted to market housing. The Council of Community Services considered the purchase of these apartments, but decided that this project was beyond their available resources. Tenants of the Parkside Apartments, who are on subsidy, will receive Section 8 vouchers that can be applied toward rent expenses at other market housing.

The Cheyenne Housing Authority (CHA), who administers Wyoming's Section 8 housing subsidy program, has not accepted applications for new section 8 housing subsidies in Campbell County for the past two years. There are 36 individuals or families who now receive subsidies under the section 8 program. However, no new eligible families living in Campbell County can apply. Applicants paying more than 50 percent of their income for housing are eligible for section 8 subsidies. However, other criteria developed by CHA also apply. Criteria and formulas used by CHA do not consider variable cost-of-living and housing market conditions within each county. However, CHA could change factors used to develop formulas for the distribution of section 8 vouchers.

### **Community Recommendations**

1. Make more section 8 housing vouchers available to lower-income individuals in Campbell County. Direct the Cheyenne Housing Authority, who administers Wyoming's Section 8 program, to change its housing subsidy formulas to reflect regional differences in cost-of-living and housing market conditions.

## **LABOR FORCE**

### **Availability and Stability of the Work Force**

Various community leaders indicated that more workers in the county economy are more frequently leaving one job to find a higher paying job. More shifts in individual employment have caused a growing instability in the local labor force.

Both Campbell County and the City of Gillette are having difficulty attracting new employees and retaining experienced personnel. Both the City of Gillette and Campbell County have lost a variety of very experienced personnel who have taken other jobs with the private sector. Local government officials fear that they will continue to have difficulty maintaining qualified personnel in key positions unless they can remain competitive to private industry. In the long run, both Campbell County and City officials expressed concern that higher wages and salaries will have to be sustained after the ongoing economic boom. Consequently, the cost of government operations will continue to rise considerably even after the coal bed methane boom is over.

More specific examples of the employment issues faced by local government can be illustrated from the recent experiences of the City of Gillette Police Department and County Sheriff's Office.

### *County Sheriff's Office*

The high wages paid their employees by CBM and related companies are causing wage rates all over the county to be extremely higher than normal. Government agencies are particularly unable to compete at those labor rates. Qualified people who could easily get jobs in the sheriff's department are working elsewhere. For example, the Sheriff recently offered someone a detention officer position paying \$31,000 year with full benefits and regular working hours. However, this applicant accepted what she considered a better offer as assistant manager at Burger King.

The Campbell County Sheriff's department is presently understaffed by five positions; one of these positions is in Town of Wright. In addition, federal grant funds are available that would help pay 50 percent of the cost for a narcotics staff person. Yet, the County has been unable to fund the matching 50 percent cost.

### *City of Gillette Police Department*

Higher wages paid by CBM companies has also made the hiring of new police officers more difficult. Only a limited number of young people are now showing up for entry-level patrolman tests. Several years ago, about 20-23 young persons would come to these tests; now only several may respond to this opportunity. Unfortunately, applicants are often unqualified when background testing results and theft issues are revealed.

The City Police Department recently established a new job classification for community service officers. This job classification requires a high school degree and pays \$26,000 per year. Young community service officers may make calls on petty theft and crimes identified by the Department. Through establishing this position, the Department hopes to recruit high school graduates and encourage them to pursue a career path into law enforcement.

## **Community Recommendations**

1. The State should initiate a recruitment program to attract labor tradesman that would be involved in anticipated energy development projects, e.g., the operation and maintenance of power plants.

## **FUTURE COORDINATION OF ANTICIPATED ENERGY PROJECTS**

### **State and Local Government Coordination Issues**

A few municipal and County representatives in Campbell County recognized a need for State agencies such as the Oil and Gas Commission and/or the State Department of Environmental Quality to better coordinate authorized energy development projects with local government. State officials need to share information concerning future energy development projects that enables county and municipal government to become better prepared to address community impacts. Such information would include the name of potential companies, the general scope of development interests, the anticipated size of their workforce, potential training needs, and infrastructure requirements.

## **Community Recommendations**

1. An advanced evaluation process for proposed energy development projects should be established in local government. The advanced evaluation process should not be established

to assess and collect impact fees. Rather, such a process would permit local government to offer possible development incentives, as well as identify options how companies and communities can work together more effectively to mitigate anticipated community impacts, e.g., housing, before significant impacts begin to take place.

## **FINANCING OF INCREASED LOCAL GOVERNMENT EXPENDITURES**

### **Financing of Energy Development Impacts Upon Affected Communities**

City and County officials say that something is wrong when Campbell County, which is experiencing the greatest impact from coal bed methane development, cannot get adequate financial support to deal with community impacts. Even though Campbell County is probably generating the most income for the State and handling all the impacts that come with it, the perception is that Campbell County is rich and does not need any help. The State Legislators need to understand that Campbell County doesn't actually get any of those revenues until almost two years after the impacts began occurring.

While a portion of mineral tax revenues will eventually be forthcoming from the State, there are insufficient County and municipal funds that are available to address immediate expansions of infrastructure and public services. Campbell County, the City of Gillette, and the Town of Wright regularly experience cashflow problems because monthly sales tax revenues are insufficient to operate local government, as well as support new capital improvements.

State Industrial Siting Act funds, which are designed to help communities address expanding public facilities and services from larger industrial projects, have not generated impact funds from coal bed methane development. Coal bed methane companies have not had to make any financial contributions to community impacts. Municipal and county officials recognize that some coal bed methane companies have voluntarily made financial contributions toward some road improvements. Higher construction value thresholds established in the Industrial Siting Act do not take into account the possibility of a series of smaller private investments, associated with one or more types of energy development, that could generate significant cumulative impacts upon local communities.

County and municipal officials suspect that future energy development in northeast Wyoming is more likely to represent a series of small energy development project investments that will generate significant cumulative impacts upon local communities. Unless modified, the State Industrial Siting Act will not provide a needed source of advance monies for local government to respond to the anticipated consequences of future energy development.

City of Gillette representatives point out that the State Lands Investment Board (SLIB) has significantly hampered the City's ability to obtain funds for urgently needed capital improvements. During the past four years, many projects were delayed or deferred. The City used to regularly obtain from \$400,000 to \$800,000 per year. Now, all applications are uncertain. The SLIB will only receive applications for health and safety projects. However, road improvement projects are not considered relevant to public safety.

At the last Legislative session, the formula for distribution of severance taxes were changed so that the state was able to keep more than was distributed out to the counties. Those funds are badly needed by the affected counties and municipalities.

### **Community Recommendations**

1. The State Industrial Siting Act should be reviewed to include funds to counties based on cumulative impact, not just one project impact. Revise other provisions of the Industrial Siting Act so that Campbell County, and other affected communities, can receive impact funds in advance of the consequences generated by future energy development.
2. Because of the immediate impacts that communities face with development projects, the City would like the State and Legislature to consider any other process that will enable affected communities to receive State impact funds to address community impacts before they occur.
3. Consider other options for enabling the maintenance of adequate cash flows of affected communities. For example, the State should create a method to divert a greater increment of the sales tax in each county back to local government. Counties presently receive about 37 percent; the State receives about 63 percent. It was recommended that 50 percent of the revenues be distributed to local government and half to the State. The State funds should be earmarked for State infrastructure projects.

Another option would be to establish a reserve fund that would enable affected communities to receive a smaller proportion of its designated distribution of mineral revenues soon after assessed evaluations are determined by the State in May. Counties typically receive mineral revenues in November, or about 18 months following an assessed evaluation. With this option, an affected county would receive say 20 percent of its mineral revenues roughly one year before it normally would under the present mineral revenue distribution system.

4. The State Legislature should create a mechanism for monitoring larger energy development projects. Using a set threshold, the Legislature should divert a portion of the use tax, collected by the State, to affected local communities or state agencies to mitigate infrastructure and human service problems.
5. The State Legislature should better monitor projects approved by the State Land Investment Board. Decisions made by the State Lands Investment Board (SLIB) should not be made by the five elected officials. Rather, the five elected officials should be replaced with one representative from five districts: northeast, southeast, northwest, southwest, and central.

**OVERVIEW  
COMMUNITY ISSUES AND RECOMMENDATIONS  
CONCERNING FUTURE ENERGY DEVELOPMENT  
IN SHERIDAN COUNTY**

**DRAFT**

**INTRODUCTION**

The following summary presents an overview of community issues and recommendations concerning future energy development in Sheridan County that reflects the insights and recommendations of various community leaders in Sheridan County. The purpose of the summary is to identify relevant community issues and recommendations that can be addressed and integrated into the future strategies and actions involving the Wyoming Energy Commission.

Pedersen Planning Consultants made a series of individual and group discussions with selected community leaders in Sheridan County in October 2001. Information gained from each interview or discussion was documented and retained to enable future reference by the Wyoming Energy Commission.

PPC will prepare more specific draft policy strategies that can be considered by the Wyoming Commission after the summaries of communities issues and recommendations are completed for each of the six counties. The aim of these anticipated strategies will be to:

- get local government more prepared to accommodate future energy development;
- enable the abilities of local governmental agencies to respond to the consequences of energy development; and,
- link selected activities of State and local government to encourage future energy development.

**GENERAL**

Sheridan County has been impacted by energy development during the past three years, but not to the extent of Campbell County. Ongoing coal bed methane development has primarily impacted county roads and municipal utilities, law enforcement and housing. At the same time, the City of Sheridan has derived greater sales tax revenues and expanded employment opportunities. In some economic sectors, new direct and indirect employment opportunities have also increased employee wages and salaries. These impacts have, in turn, affected the availability and stability of the employed labor force, diversified the local economy, increased the demand for public services, and the operational costs of municipal and county government.

The significance of energy development impacts in Sheridan County should be viewed in the context of the local government's ability to accommodate future energy development and derive benefits that can generate greater economic stability.

Community impacts and related recommendations are briefly summarized in the following paragraphs from the perspective of community leaders. Supporting statistics were primarily obtained from municipal and county agencies, as well as other community organizations that participated in the discussions of community issues and recommendations.

**HOUSING**

## **Housing Issues**

Sheridan County presently has limited housing to support future energy development. Many of those employed in the field activities associated with energy development require affordable housing, particularly in the low to mid-income ranges. The lack of affordable housing in Sheridan County is influenced by various housing issues.

In June 2000, a Housing Forum, hosted by the Sheridan County Chamber of Commerce Economic Development Committee, was held to identify pressing housing issues and possible solutions. The consensus among forum participants was that primary housing issues included:

- the lack of affordable housing for rent or purchase;
- a complex and difficult regulatory process associated with residential development projects; and,
- an anti-growth sentiment within the community.

Sheridan County is an attractive community situated down slope of the scenic Big Horn Mountains. This setting is attractive to new wealthy residents who are relocating to Wyoming and developing rural residential properties. With few regulatory constraints, ranchers and larger landowners are ready and able to sell agricultural lands greater than 35 acres in size at higher prices. New wealthier residents are prepared to pay higher prices for their enjoyment of scenic views of the Big Horn Mountains and related values. Rising land values have left the City of Sheridan and western Sheridan County with high-end residential development and little affordable housing.

Limited temporary housing opportunities are available in Ranchester at a private campground. Municipal officials in Dayton and Clearmont indicate no interest in designating temporary housing areas to accommodate future energy development.

One proposed housing project in Sheridan is expected to add 120 affordable housing units in 2002. Otherwise, there are no other affordable housing projects being planned in Sheridan County at this time.

A recently adopted Sheridan County Growth Management Plan recognizes the need for affordable housing and recommends that the City of Sheridan facilitate and encourage the development of more affordable and innovative approaches to housing. Recommended growth areas are generally defined as urban core areas, urban growth areas, rural transition areas, and agricultural areas. Consequently, the amount of land that will be reserved for future residential expansion is unclear.

The Sheridan County planner indicated that some affordable housing might be developed on selected lands immediately adjacent to the City of Sheridan. Community leaders from Sheridan, Dayton, Ranchester, and Clearmont expressed little interest in modifying zoning regulations, or designating new areas for residential expansion, to encourage development of affordable housing.

### *City of Sheridan*

There are few housing vacancies in the City of Sheridan. Limited housing opportunities are, in part, due to the influx of a few hundred residents to the City of Sheridan since late 1998. City officials believe that most of the community's new residents represent persons employed by coal bed methane companies, contractors, or related service companies.

In the Sheridan area, there were approximately 957 rental units available in May 2000. During this period, there was a vacancy rate of about 2.5 percent (Sheridan Chamber of

Commerce, 2000).

The market demand created by new wealthier residents in Sheridan County has also precipitated higher land values for undeveloped properties within the City of Sheridan. Consequently, newer residential subdivisions being developed within the City of Sheridan are primarily marketed to higher income households. For example, some lots within the Mt. Shadow subdivision are being marketed for approximately \$50,000.

Existing mobile home parks are now full. Municipal and County zoning requirements for local mobile home parks are reflective of past local efforts in the early 1980's to get rid of unattractive mobile home park areas with trailers. Consequently, virtually no one is proposing to build new mobile home parks even though they are necessary to meet the demands of incoming workers.

Idaho Community Development is looking to build some 120 affordable rental housing units in the vicinity of Coffeen Boulevard. City officials expect to receive plans for this project in January 2002; construction is anticipated to begin in the spring of 2002.

#### *Dayton*

Most residents who live in Dayton are employed by the Decker Coal and Spring Creek mines in Montana. Few residents are employed in coal bed methane activities.

Dayton can accommodate some additional residential development. There are 28 residential properties that were vacant in October 2001. However, the number of available residential lots is somewhat misleading. Roughly half of the available residential lots are expected to be eventually developed and occupied by existing landowners who will eventually return to the community for their retirement.

A new 33-acre subdivision has been approved by the Dayton City Council. The new Wood Rock Subdivision will contain 29 lots in the first increment and 37 additional lots in an approved second increment. Six of these lots are already pre-sold.

One municipal official indicated that the City is not interested in attracting the development of new mobile home parks that could support increased coal bed methane or other energy development.

#### *Ranchester*

Similar to Dayton, most residents are employed by the Decker Coal and Spring Creek mines in Montana. Housing in Ranchester primarily includes single-family residential and several apartment complexes.

No housing was for sale in this community in October 2001. Very few residential lots are available for future residential development.

Several CBM workers and/or dependents are living at the Lazy R campground in Ranchester where there are about 20 RV spaces. The owner of this campground is preparing to construct utility hookups to accommodate another 20 spaces. Consequently, there is some area in the community to accommodate some temporary housing associated with future energy development.

#### *Clearmont*

The Town of Clearmont is supporting ongoing coal bed methane activities through the supply of water to selected coal bed methane companies. However, Town Council representatives indicated little interest in attempting to support future housing needs for future energy development. Almost all of existing housing is occupied.

### *Arvada*

The Sheridan County Planning Commission recently approved a conditional use permit for a 10-lot mobile home park near Arvada. The Commission approved a waiver from normal subdivision requirements for a 15-year period. When the permit expires, the developer will have to bring the subdivision up to County standards or remove existing uses.

### **Community Recommendations**

1. Modify County zoning regulations to enable the infilling of smaller rural residential properties on the fringe of the City of Sheridan with some rental housing.
2. Make housing a priority for Sheridan and Sheridan County.
3. Streamline the regulatory process for housing development in order to make requirements clearer and the process shorter.
4. Create public and private partnerships to develop affordable housing.
5. Develop upper stories of existing buildings in downtown Sheridan into affordable housing.

## **INFRASTRUCTURE**

### **Road Issues**

There are about 500 miles of county road in Sheridan County. About 25 percent of the county roads are constructed with scoria. Approximately 55 percent were built using gravel. Ten percent of the county roads are paved roadways and an additional 10 percent are dry-weather roads that are not surfaced with gravel or scoria.

About 250 miles, or 50 percent, of the Sheridan County roads have been impacted by coal bed methane (CBM) development. The Sheridan County Engineer expects that 10 to 20 percent more of these roads will be impacted during the next five years. Increased road usage by CBM and new residents is reducing the facility life of these roads and increasing the cost of road operations and maintenance.

The impact upon County roads is being mitigated somewhat by assistance from some CBM companies. The County has developed user agreements with some CBM companies that require companies to:

- Repair road damages that are beyond normal wear and tear;
- Restore roads to condition that existed prior to their usage; and,
- Provide labor and materials for road repairs.

While helpful, these agreements are constrained by other realities. Several companies and their contractors may use one road. If road damage is made by a contractor that is not working for the CBM company who entered into a road use agreement with the County, the County bears the cost of repairs even where an agreement exists.

Prior to more recent coal bed methane development, the Sheridan County Engineer reported that County roads were generally not in good condition. Increased public use has also been a factor.

The condition of County roads prompted the County to propose a capital facilities tax. This tax was passed by local voters about 4 years ago. Approximately \$8.7 million of some \$22 million in revenues that will be generated from this tax will go to road improvements in Sheridan County and the City of Gillette. Yates believes that the other incorporated communities may use their share for other community improvements.

When the County was estimating what would be required for road improvements, it apparently under-estimated the cost. In addition, the County assumed that it would gain the other 50 percent of its estimated costs from the State Lands Investment Board (SLIB). However, a couple of years ago, SLIB representatives approached all counties in the State and urged them to establish priorities for their projects. The municipalities generally responded by saying that they could not establish their priorities. As a result, the SLIB said that it would only accept projects that address health and safety. Road improvement projects were not considered to be health and safety projects.

Another consequence of coal bed methane development is significant dust emissions along County roads. Horses in some areas of Sheridan County are reportedly experiencing chronic coughing from increased emissions. Despite these impacts, magnesium chloride is being applied to only one County road that extends approximately 12 miles.

### **Community Recommendations**

None.

### **LAW ENFORCEMENT**

The County Sheriff observed that a lot of people arriving in Sheridan County are from out-of-town. He suspects that the City estimate of roughly 300 new residents since late 1998 is conservative. Some of this population represents coal bed methane workers and their dependents.

### **Increased Crime**

Available uniform crime data for 2000 indicates that roughly 71 percent of the total arrests in Sheridan County occur within the City of Sheridan, 27 percent in the unincorporated area of Sheridan County, and two percent at Sheridan College. Between 1999 and 2000, total arrests made by the County Sheriff and the City of Sheridan Police rose almost 14 percent.

Within the City of Sheridan, available crime data for the 1999-2000 period points to a considerable increase in arrests associated with assaults and drug abuse violations. Disorderly conduct arrests also increased considerably during the same period.

The County Sheriff reported that more aggravated assault crimes and a greater number of more hardened criminals occurred during the 1998-2000 period. The number of assaults has increased dramatically from 40 in 1998 to 90 assaults in 2000. Burglary and larceny crimes have also increased considerably during the same period. Ninety-nine percent of all crimes are ultimately tied to drug and alcohol use.

### **Impact Upon County Jail**

The increase in crime has, in turn, impacted the capacity of the county jail. The county jail contains 50 cells for adults only. His department houses an average daily occupancy by 57-58 prisoners; the occupancy on weekends increases to an average of 65 prisoners on weekends.

Some months ago, the population was even higher, i.e., over 70 prisoners. These conditions forced the Sheriff to place prisoners on the floor of the jail. Subsequently, he closed the jail and called together local judges, attorneys, county commissioners to discuss the seriousness of inadequate jail space. The Sheriff is looking for funds from the State Lands Investment Board to enable his department to partition most of the existing cells to accommodate up to 92 prisoners.

### **Retention of Law Enforcement Personnel**

Coal bed methane activity in Sheridan County has also impacted the County Sheriff's ability to retain some personnel. The Sheriff's Office has lost 2-3 jailers in the past three years for better paying jobs. The County Sheriff suspects that these personnel may have joined the workforce associated with coal bed methane development.

### **Community Recommendations**

None.

## **FIRE AND EMERGENCY MEDICAL SERVICES**

### **Available Resources**

Sheridan Fire & Rescue is a joint city-county fire department that was consolidated in 1999. This department serves the City of Sheridan and a portion of unincorporated area of Sheridan County. Sheridan Fire & Rescue is professionally staffed by three 10-person shifts. Each shift is organized to comprise a minimum of eight persons. Four persons are assigned to the fire engine truck. There are two ambulances that are each operated by two persons. All fire fighters have received emergency medical technician training. Seven of nine emergency medical personnel are paramedics; two are certified as EMT intermediates.

Outside of this consolidated district, there are five additional volunteer districts. These districts include Dayton, Ranchester, Big Horn, Storey, and Clearmont. Most of the volunteer fire departments are trained for wildland fire suppression. There is a county-wide mutual aid agreement that enables professional and volunteer departments to share resources.

### **Issues**

Between January 2000 and October 15, 2001, Sheridan Fire and Rescue responded to 2,438 incidents. Approximately 59 percent of these incidents involved emergency medical and rescue services. The remaining incidents included a wide variety of fire suppression, as well as responses to various hazardous material spills.

Available data was acquired for only one of the five volunteer fire districts. The Dayton Fire Department responded to 31 fire calls in 1999 and 32 in 2000. The Dayton Rescue Unit responded to 149 emergency medical and rescue calls in 1999 and 142 calls in 2000.

Coal bed methane appears to be moving south and west of Sheridan. The Prairie Dog area is

where most coal bed methane development is taking place.

The number of incidents associated with coal bed methane or other energy development facilities was unavailable. However, coal bed methane or other energy development activities do not appear to have made any significant impact upon the operations of the Sheridan Fire and Rescue or the five volunteer fire districts. At the same time, some effort has been expended by the Sheridan Fire & Rescue Department to maintain greater preparedness for potential responses to energy development activities. Consequently, increased exploration and production in Sheridan County will only increase the demands for fire and emergency medical services.

The chief of Sheridan Fire & Rescue reported that he is enjoying a good working relationship with coal bed methane companies who come to him before full-scale production occurs. For example, J.M. Huber came to the county fire chief soon after the company first established operations in Sheridan County. Company representatives invited the county fire chief to go out into their gas exploration and production sites to learn more about their operations. This action enabled the county fire chief and the company to better anticipate emergency response needs and determine the responsibilities of both the company and Sheridan Fire & Rescue.

In response, the county fire chief organized a gas facilities training program for professional and volunteer emergency personnel in early 2000. This training was attended by members of the Sheridan Fire & Rescue. Only a few personnel from other volunteer fire districts attended; some fire districts sent no representatives. The county fire chief has also requested the volunteer fire districts to coordinate with local gas companies in order to tour coal bed methane wells, compressor stations, and other facilities. However, the county fire chief is unsure whether any of the volunteer fire departments have followed through with his request.

### **Community Recommendations**

1. Energy development companies need to coordinate with the Sheridan Fire & Rescue to describe what they are doing and where production and distribution facilities are located. The County Fire Chief says that coal bed methane and other energy development companies should follow the example of J.M. Huber and provide onsite tours of operations.

## **EDUCATIONAL FACILITIES**

### **School Enrollments**

Sheridan County has three school districts:

- District #1 Rancheater-Dayton-Big Horn-Parkman
- District #2 Sheridan
- District #3 Clearmont-Arvada-Ucross

Discussions with District #2 representatives indicate that school enrollments have not been significantly impacted by coal bed methane or other energy development in the county. With the exception of minor increases in 1998 and 2000, school enrollment has generally declined in the City of Sheridan (District 2) for the past ten years. Similarly, the north part of Sheridan County (District 1) has declined since 1995. In contrast, the area closest to coal bed methane activity (District 3) has demonstrated a 15 percent increase between 1999 and 2000 (Table 1).

**TABLE 1  
HISTORICAL SCHOOL ENROLLMENTS  
SHERIDAN COUNTY SCHOOL DISTRICTS**

<b>Year</b>	<b>District #1</b>	<b>District #2</b>	<b>District #3</b>
1991	820	3,776	112
1992	857	3,741	99
1993	887	3,701	97
1994	928	3,622	99
1995	930	3,564	99
1996	925	3,472	95
1997	905	3,386	103
1998	920	3,404	101
1999	914	3,207	102
2000	895	3,247	117

Source: Wyoming Department of Education, 2001

In terms of overall resident population, District 2 is growing in retirees, but not employment. Consequently, school enrollment is declining. The reductions in student enrollment are consistent with past trends that have occurred in the absence of coal bed methane activity.

If greater employment opportunities occurred near or within Sheridan, the District 2 superintendent anticipates that a growing population would increase classroom sizes to between 25-30 students rather than the preferred classroom size between 15 and 20 students.

School enrollments are significant to all school districts in the County. The MAP formula, which is used by the State to determine budget allocations to each district is, in part, based upon a 3-year average enrollment for each district. The School district obtains general information from the Sheridan Chamber of Commerce concerning changes in community

economic conditions. This information is sometimes applied to district forecasts of anticipated school enrollment.

### **Community Recommendations**

1. The State Oil and Gas Commission should modify its permitting process to enable energy industry companies to coordinate with selected local agencies. This would help all three School Districts better anticipate changes in district school enrollments.

### **COMMERICAL LAND USES**

There are seven to eight CBM companies operating in Sheridan County. These companies include, at least, the following:

- Williston-Basin
- Redstone
- J.M. Huber
- CMS
- Big Horn Gas
- U.S. Energy
- Fidelity
- Paxton

These and other companies have increased local employment opportunities and expanded sales tax revenues. However, in the absence of greater financial support from the State of Wyoming, County Commissioners said it did not make any sense to offer any local incentives to attract the establishment of administrative offices for energy companies in Sheridan County.

### **ENVIRONMENTAL CONCERNS**

#### **Community Experience at the Outset of Coal Bed Methane Development**

Less than a dozen CBM companies are operating in Sheridan County. One prominent community leader remarked that coal bed methane development "got off on the wrong foot" in Sheridan County. A Michigan-based exploration company initially established over-sized drill sites, displayed no community sensitivity, and badly timed its exploration activities when roads were especially saturated. Buck and Mary Branninman, well-known larger landowners, became early victims of badly planned exploration.

The bonding requirements associated with State drilling permits are at an insufficient level to ensure that adequate reclamation can be made. Present bonding requirements are about \$50,000.

#### **Noise and Visual Impacts**

The County Commissioners are not opposed to future energy development. However, they want responsible development. They do not want to see or hear a coal bed methane compressor station outside of their front door.

### **Community Recommendations**

1. The Oil and Gas Commission should increase bonding requirements for CBM companies to ensure that adequate monies are available for eventual site reclamation where such work is

not carried out by individual CBM companies.

## **FINANCING OF ENERGY IMPACTS UPON AFFECTED COMMUNITIES**

### **Issues**

Coal bed methane development activity has been in Sheridan County for about two years. There is some frustration in the community as it awaits increased sales tax revenues, which represents a significant potential economic benefit to Sheridan County and its communities. However, potential benefits from sales tax may be jeopardized by the reality that many Sheridan County residents shop regularly in Montana where there is no sales tax.

County and municipal officials echoed the concerns of Campbell County concerning the availability of public funds to support increased local government expenditures. They recognize that the impacts that have been generated by recent coal bed methane development have not been extensive. However, they point out that their predicament is more serious since Sheridan County and its municipalities do not enjoy the mineral revenues distributed to Campbell County. Consequently, as greater energy development impacts occur in the future, Sheridan County and local municipalities will be unprepared to finance future increases in various public service expenditures. Roughly 65 percent of County revenues come from sales tax; about 15 percent are derived from property tax.

The County Commissioners and other community leaders have been frustrated by the actions of the State Lands Investment Board (SLIB) which has been reluctant to consider Sheridan County's application to fund a portion of county and municipal road improvements. They are very surprised in SLIB's decision not to consider road improvements as a public health and safety project.

The County Commissioners are very disturbed by the State Legislature's recent cap on severance tax. They perceive this legislative action as a further erosion of available funds for local improvements needed to support future energy development.

### **Community Recommendations**

1. The State Industrial Siting Act needs to be addressed. A lower threshold should be established so that consequences from future energy development projects, e.g., coal bed methane, can be mitigated by some additional State funds in advance of project development.
2. There needs to be a mechanism where counties can receive some type of funds to help them address the cost of infrastructure improvements and the expansion of county services. The lack of such a source causes a cash-flow problem for County government.
3. The Commissioners were supportive of a general concept to require energy companies to contact local governmental representatives as part of Oil and Gas Commission permit process.
4. The procedures and project criteria used by the State Lands Investment Board need to be changed so that the City does not have to compete with every other local agency.
5. The State should share more revenues with affected communities. The State should provide or establish reserve funds that local government can use at their discretion to address community impacts. In essence, affected communities should be treated differently than other Wyoming communities that are not impacted by future energy development.

**OVERVIEW  
COMMUNITY ISSUES AND RECOMMENDATIONS  
CONCERNING FUTURE ENERGY DEVELOPMENT  
IN JOHNSON COUNTY**

**DRAFT**

**INTRODUCTION**

The following summary presents an overview of community issues and recommendations concerning future energy development in Johnson County that reflects the insights and recommendations of various community leaders in Johnson County. The purpose of the summary is to identify relevant community issues and recommendations that can be addressed and integrated into the future strategies and actions involving the Wyoming Energy Commission.

Pedersen Planning Consultants made a series of individual and group discussions with selected community leaders in Johnson County in October 2001. Information gained from each interview or discussion was documented and retained to enable future reference by the Wyoming Energy Commission.

PPC will prepare more specific draft policy strategies that can be considered by the Wyoming Commission after the summaries of community issues and recommendations are completed for each of the six counties. The aim of these anticipated strategies will be to:

- get local government more prepared to accommodate future energy development;
- enable the abilities of local governmental agencies to respond to the consequences of energy development; and,
- link selected activities of State and local government to encourage future energy development.

**GENERAL**

Most community leaders in Johnson County recall the past energy development period of the late 1970's that influenced both Campbell County and Johnson County. Some community leaders have worked and/or lived in Campbell County during that period. Other leaders have derived experience with energy development through their work and residence in other Wyoming communities such as Fremont County.

Since late 1998, Johnson County has gained more experience with energy development impacts via the consequences of ongoing coal bed methane. However, community impacts have been significantly less in Johnson County than Campbell County and more comparable to impacts experienced in Sheridan County. Ongoing coal bed methane exploration and production has primarily impacted county roads, law enforcement, housing, and the administration of local government in Johnson County.

Community impacts and related recommendations are briefly summarized in the following

paragraphs from the perspective of community leaders. Supporting statistics were primarily obtained from municipal and county agencies, as well as other community organizations that participated in the discussions of community issues and recommendations.

## **HOUSING**

### **Town of Buffalo**

Community leaders believe that the housing market in the Town of Buffalo has become increasingly tight during the past two years. Rental and affordable housing opportunities have become very limited. New residential construction has focused almost exclusively upon the development of new homes directed to higher-income households.

Community leaders are well aware that the community lacks the affordable housing to support those employed in Johnson County's visitor industry, federal government employees relocating to Buffalo, and those employed in ongoing coal bed methane development activities. There is a reasonable understanding among community leaders that the availability of adequate housing for a wide range of income levels is needed to stimulate economic growth and investment into the local economy.

In recent years, local investors and developers have not demonstrated a strong motivation to meet anticipated demand from coal bed methane workers or those involved in the visitor industry. Some community leaders view their reluctance to be related to their memory of past economic downturns in the community and the fear of "losing their shirts". However, some local contractors observed in a November 2001 housing conference in Buffalo that affordable rental housing is difficult to develop in Buffalo because potential renters cannot afford higher monthly rentals that are needed to achieve a reasonable return-on-investment.

The construction of roughly 24 new manufactured homes was recently completed near downtown Buffalo. However, escalating construction costs and growing market demands from retirees ultimately led to housing prices beyond affordable housing levels. Most of these housing units are already sold and were purchased entirely by retirees who represent a growing segment of Buffalo's housing market demand.

There are also a significant number of older homes in the community that could be renovated. Many need new electrical wiring and plumbing improvements. Local contractors have observed that the renovation of many of these homes do not necessarily represent opportunities for more affordable housing in view of the construction costs associated with renovation and rising housing values.

Even though most residential construction is focusing on higher priced homes, there are signs that more diverse housing stock is in the making. One local building contractor is considering the development of some new apartments in Buffalo. Another out-of-state residential developer may also seek to develop some affordable housing. In addition, the Town of Buffalo will undertake an assessment of housing needs in Buffalo and adjoining unincorporated lands along the fringe of Buffalo's municipal boundary during the 1Q 2002. The intent of the housing assessment is to provide a foundation for addressing future housing needs.

### **Town of Kaycee**

The Town of Kaycee is located near Johnson County's southern boundary and is not influenced by the housing market in Buffalo. Kaycee residents primarily work primarily in bentonite production, oilfield services, and trucking services.

The housing stock generally represents a combination of older stick-built housing, as well as older and newer modular and manufactured homes. Community leaders in Kaycee said they are generally receptive to the influx of new workers that would be associated with future energy development. However, new housing development opportunities are limited due to:

- the lack of vacant private properties within the town limits; and,
- the landlocked position of the town, as Kaycee is surrounded by larger landowners.

At the same time, members of the Kaycee Town Council reported that one or more of the adjoining larger landowners might be willing sell some smaller parcels of land if such development would be attractive, generate benefits to the community, and local residents would not have to pay more taxes to accommodate such growth.

Community leaders said that long-term residents are generally less receptive to new development within the community. Local residents, who could develop new rental homes or fee simple properties, are unwilling to make such investments because various homes in the community have remained vacant or unsold for long periods of time.

Kaycee has facilities to support temporary housing needs that would be associated with future energy development. One resident owns and operates two trailer parks that provide approximately 30 recreational vehicle spaces. A local motel with roughly 36 rooms can also support a temporary workforce.

### **Community Recommendations**

None

### **INFRASTRUCTURE**

#### **Road Issues**

##### *Impacts from Coal Bed Methane*

There are approximately 650 miles of county road in Johnson County. Roughly 460 miles are gravel roads. Approximately 125 miles are paved roadway. The remaining 65 miles of road represent dirt trails.

About 55 miles of county road have already been impacted by coal bed methane development. The roads primarily impacted include the following:

- 15 miles on the east end of Schoonover Road; the primary user is Anadarko.
- 25 miles along Lower Powder River Road.
- 7 miles along Piney Road; the primary user is Redstone.
- 8 miles along Kummor Road.

The Indian Creek area, which is situated approximately 25 miles east of Buffalo, may soon be subjected to a considerable amount of coal bed methane activity.

Because of available gravel resources, dust emissions from coal bed methane development are not yet a significant issue. The hauling of gravel for access roads to compressor stations may represent more of a problem than dust generated by water hauling trucks operating on gravel roads. However, the County Road and Bridge supervisor does receive occasional complaints.

When complaints concerning dust emissions are received, the County applies water on the affected road as a temporary solution. Johnson County does not own a water truck.

Consequently, the County Road and Bridge Department is required to haul water on a tank attached to a trailer.

#### *Public and Private Road Use Agreements*

Johnson County is receiving some cooperation from Redstone. Otherwise, Johnson County has not established any formal user agreements with any coal bed methane companies, but the County Road and Bridge supervisor feels that he needs to.

Similarly, while many private landowners may have road access agreements, the County Commissioners indicate that most private landowners do not have road user agreements that could include provisions for road restoration and safety issues.

#### *General County Road Construction Criteria and Labor Force Requirements*

Johnson County Road and Bridge annually puts down about 10 to 20 miles of gravel road each year. Eight inches of gravel are used for gravel road construction. The 8-inch gravel layer typically compacts to approximately 5 to 6 inches. The gravel used by Road & Bridge is obtained primarily from the U.S. Bureau of Land Management. They use 2.5-inch screened, rock down gravel for gravel road construction.

The life of gravel roads in Johnson County, which are typically used to support limited ranch traffic, can extend up to 20 years. In contrast, gravel roads with bentonite need to be re-graveled roughly every five years. With increased coal bed methane traffic, the life of gravel roads will reduce. Johnson County does not have the upfront monies available to offset increased road maintenance costs.

If a significant amount of coal bed methane activity begins to take place in Johnson County, the County Road and Bridge Department will eventually have to build up its workforce. Eight persons presently work for the County Road and Bridge Department. This workforce is considerably less than the 28 men that once worked for the Department in 1983.

On roads where more traffic will take place, the County Road and Bridge supervisor said he might need to apply magnesium chloride to reduce some dust emissions. However, the Department has no money budgeted for such applications.

#### **Community Recommendations**

1. Johnson County should become prepared and begin establishing road user agreements with coal bed methane companies.
2. Private landowners should establish road user agreements with coal bed methane companies that include provisions for road restoration and safety issues.

#### **LAW ENFORCEMENT**

##### **Issues**

The summer of 2001 was the first time that the local dispatcher serving both the City and County had to stack and prioritize calls. The Johnson County Sheriff links the increased number of calls to coal bed methane activities, growth in county population, and other potential factors.

The amount of crime in Johnson County is rising. Available Uniform Crime Reporting

statistics from the State Office of the Attorney General reports that 258 arrests were made in Johnson County in 2000. This represented a 12 percent annual increase from the number of arrests made in 1999. Roughly 56 percent of the arrests made in 2000 were made by the County Sheriff's Office; the remainder was made by the Town of Buffalo's Police Department

The County Sheriff is now seeing more alcohol related crime. Drug violations are increasing somewhat, but not the sale of drugs. As more people in the community earn more income, greater drug usage occurs. Ninety-nine percent of all crimes in Johnson County tie back to drug or alcohol abuse. Increased drug abuse violations between 1999 and 2000 are reflected in the Uniform Crime Reporting statistics for Johnson County.

Ranchers are complaining about speeding vehicular traffic along County roads. The County Sheriff attributes some of these conditions to coal bed methane activities.

The Sheriff's Office uses the same amount of deputies as it did when the County Sheriff first arrived 20 years ago. One of the deputies is stationed in Kaycee. If fortunate, the Sheriff is able to have one deputy out on county roads per shift.

The County Sheriff has been able to maintain long-term employees who remain loyal to the department. His secret is maintaining higher wages than most sheriff departments. This is accomplished through an active program with the U.S. Marshall's Office and the U.S. Department of Justice to frequently transport and occasionally hold federal prisoners. His deputies are trained by the federal Bureau of Prisons and federal marshals. Consequently, they are well trained. Johnson County regularly receives incoming revenues from the U.S. government for the intermittent use of their personnel, county vehicles, and the occasional use of county jail cells. As a result, the County is able to provide regular pay raises to its employees.

The Sheriff's program with the U.S. Marshall's Office requires Johnson County to maintain 24-hour, 7-day a week coverage of all inmates in the county jail. During the past two years, the County jail has been approved for the holding of federal prisoners.

The Sheriff has also established a commissary program over the past 18 years. Families of inmates are asked if they want their relatives provided with amenities such as televisions, radios, or cigarettes. The County Sheriff's Office purchases these items and charges families for the cost of items purchased. The cost includes a nominal overhead fee because of the use of county employees to provide the service to its prisoners.

Johnson County operates a 17-cell jail. Seven of 17 cells have double bunks. Consequently, the capacity of the jail is 24 prisoners.

With increased impacts on public safety, his department would require more first aid equipment and gas masks. Sheriff Kirkpatrick is not that concerned with absorbing the increased costs to public safety impacts because anticipated increases in service costs can likely be met through significant revenues that are being gained via the transport and holding of federal prisoners, as well as the use of county vehicles.

### **Community Recommendations**

1. County sheriff offices should consider participation in the transport of federal prisoners to gain greater revenues to help retain personnel, as well as potential expansions to jail facilities.
2. Any new incoming workforce associated with future energy development should be

encouraged to reside in available housing within the community. Man-camp complexes can breed problems for law enforcement if the behavior of residents is not managed effectively.

3. The Town of Buffalo or any other community affected by future energy development needs some advance notification of the number of workers and dependents that may relocate to the community to support the project. Otherwise, law enforcement cannot adequately prepare itself.

## **EDUCATION**

### **School Enrollments**

There is one school district in Johnson County that operates and maintains elementary, middle school, and high school facilities in Buffalo and Kaycee. Superintendent Kessler says that student enrollment in District #1 has remained around 1,300 students in the last few years. There were 1,292 students enrolled in September 2000 and 1,276 students in September 2001.

Even though there have been no recent increases in student enrollment, Kessler reported that there are a few trends worth noting:

- Since mid-summer of 2001, there have been a number of parents of school-aged children from Oklahoma and Texas who were coming to visit the school district. Work opportunities in Northeast Wyoming were bringing most of the parents; most were middle-income families. Other parents told the superintendent that they were already living in Gillette, but wanted to reside in a smaller community.
- In 2001, ninety-one new students enrolled in schools in the Johnson County School District #1. Sixty-seven or 74% of the students are attending Buffalo High School (20 students), Clear Creek Middle School (22 students), or Meadowlark Elementary (25 students).
- In 2001, twenty-four new students enrolled at Kaycee High School (8 students) and Kaycee Elementary (16).
- Student enrollment in the school district appears to be growing in middle school and early high school grades (10 to 16 years old). The number of 11<sup>th</sup> and 12<sup>th</sup> grade students is declining.

School enrollment trends may suggest that Buffalo is attracting experienced workers with 10 or more years of experience. Their families tend to include more children in the middle school-early high school years.

In 2000, the U.S. Bureau of Land Management Office in Buffalo was staffed by approximately 23 employees. Increased coal bed methane activity in Northeast Wyoming prompted the U.S. Bureau of Land Management to establish 37 new federal positions at its Buffalo office by August 2001, as well as another 15-20 positions sometime in 2002. It is uncertain how many of these positions have already been filled. However, this federal agency has indicated that these positions are long-term in nature due to the anticipated volume of the gas production potential in the Powder River Basin. Consequently, new federal employment may generate some increases in student enrollments.

### **Proposed School Facilities**

Johnson County School District #1 is proposing two new school facilities that would replace existing schools within the district:

- Kaycee K-12 School
- Buffalo High School

These proposals are based upon the earlier State Supreme Court rulings and related facility deficiencies identified by State consultants who previously evaluated existing facilities.

### **Community Recommendations**

1. The State Legislature and Governor should support funding requests for the construction of the new school facilities in Kaycee and Buffalo.

## **COMMERCIAL AND INDUSTRIAL LAND USES**

### **Issues**

At least four smaller companies that support coal bed methane exploration and production have located in Buffalo during the past six months. Even though larger coal bed methane companies maintain offices in Campbell, the establishment of smaller company offices signals a potential interest from other companies.

Community leaders did not mention any oil service companies establishing material or equipment storage yards in Buffalo or other areas in Johnson County. However, municipal officials indicated that land area was available in a local commerce park.

### **Community Recommendations**

None.

## **LABOR FORCE**

### **Availability and Stability of the Work Force**

The County Commissioners reported that the community lacks an adequate labor force to support ongoing energy development, as well as other jobs in the private and public sector. Consequently, the size of the available labor force is shrinking. Local employers are losing people to industry. Ranchers have indicated their lack of ability to attract help at local ranches.

### **Community Recommendations**

None

## **GOVERNMENTAL ADMINISTRATION**

### **Issues**

Similar to Campbell County, Johnson County officials report that they need more personnel to handle the increase in administrative services, which they say is directly related to coal bed methane development. Examples of administrative responsibilities that are posing a significant burden to county administrative activities include the County Clerk's recording of numerous land transactions and the County Treasurer's vehicle registration services.

### **Community Recommendations**

None.

## **FUTURE COORDINATION OF ANTICIPATED ENERGY PROJECTS**

### **State and Local Government Coordination Issues**

Only a few coal bed methane developers have given Johnson County any notification regarding upcoming energy development projects. They primarily learn about new development through citizen complaints.

### **Community Recommendations**

1. Affected counties and municipalities should be provided copies of state permits from energy companies performing exploration and production activities in Johnson County. Existing permitting processes should include a requirement for energy development companies to make some kind of contact with representatives of affected counties and municipalities. If the County Clerk's Office had the time and dollars available, the County Clerk could review leases, documents, and rights-of-ways that it records to determine the type of energy development occurring and what companies are involved.

## **FINANCING OF ENERGY IMPACTS UPON AFFECTED COMMUNITIES**

### **Issues**

#### *State Industrial Siting Act*

The high threshold established by the State Industrial Siting Act does not enable affected communities to receive impact monies from coal bed methane development.

#### *State Lands Investment Board*

The County Commissioners are also disturbed that the State Lands Investment Board (SLIB) does not want to fund county road projects. They noted that the SLIB gives the purchase of ambulances greater priority than road safety issues.

#### *Cap on Severance Tax Revenue Distribution*

In 1999, the State Legislature passed a cap on the distribution of severance tax revenues at \$155 million and \$200 million on federal mineral royalties. Amounts above the caps went to the State. Senate File 9 spells out the specific percentages that are used to make distributions to the cities, counties and the State; the distribution to selected governmental entities such as the University of Wyoming and State Dept of Transportation are also specifically identified. In Senate File 9, an attempt was made to allow cities and counties access to the amounts over the caps, via the Governor's budget, as a line item to cities and towns. The governor has the choice to invite municipalities and counties to specify what they would want to include in the line items. In Senate File 9, amounts above the caps are designated to the General Fund (1/3) or Budget Reserve (2/3). The State Department of Administration and Information was assigned the responsibility to determine the specific amounts. Senate File 9 also includes a requirement that the State Legislature re-evaluate the caps, at least, every four years.

One State Legislator, who represents Johnson County, believes that the existing cap on severance can work, but remains open to suggestions from concerning parties. Some county representatives believe that the cap on severance tax will further hamper local government's

ability to obtain funds needed to support local impacts derived from future energy development

*County Revenue Stream*

Various municipal and county officials in Johnson County reiterated the concerns of other local government officials in Campbell and Sheridan counties regarding the availability and timing of funds needed to address energy development impacts upon affected communities. Similar to Sheridan County, the ability of Johnson County and its communities to finance the initial cost of energy development impacts is in large part reflective of the County's revenue sources. The County Treasurer provided data for FY 2001 that indicates that the primary sources of revenue for Johnson County are property tax and sales tax (Table 1).

State sales tax revenues are received monthly by the County. However, there is still a need to obtain adequate funding to provide county services since the amount of incoming county revenues often remain unclear even after annual county budgets have been established. The County revenues derived from ad valorem taxes are not received from the State until about 18 months after initial property assessments are transmitted to the State of Wyoming. When the impact of a new energy project begins to generate significant impacts upon local communities, local municipal and county governmental agencies are hard pressed to finance needed improvements unless they have been anticipated and addressed in advance.

**TABLE 1  
SOURCES OF JOHNSON COUNTY TAX REVENUES  
FY 2001**

Type of Revenues	Proportion of Overall County Revenues (percent)
Property Tax	22.92
Sales Tax	17.18
Miscellaneous Sources	14.95
PILT Payments (federal payments in lieu of taxes)	11.11
Severance Tax	08.88
Gas Tax	08.84
County Officer Fees	08.63
Motor Vehicle Receipts	05.78
Forest Reserve	01.71
<b>TOTAL COUNTY REVENUES</b>	<b>100.00</b>

Source: Johnson County Treasurer, 2001

### **Community Recommendations**

1. The Industrial Siting Act needs to be modified to enable affected communities to receive impact funds in advance of anticipated projects.

2. In the past, some energy development companies have contributed to the development or improvement of certain kinds of infrastructure improvements. They should be required to provide some funds to help communities deal with impacts.

3. The State should consider the following recommendation in order to help municipalities and counties receive impact funds for energy projects earlier. The State should take a proportion (whatever magic number) of their share of severance taxes to set aside for impacted communities. The State Lands Investment Board (SLIB), or some other funding entity, would handle the distribution of funds, not the Legislature. Impacted communities would need to meet specific requirements in order to have access to these funds. Later, the amounts received by impacted communities via severance taxes, which have not been

distributed via the SLIB, would be returned to the special impact fund. This method would need coordination so that the funding board knows what other grants the cities and counties are receiving. If the funding entity turns out not to be the SLIB, at the very least, the affected entities should have input. A screening process to prioritize requests should also be established.