

Sublette County, WY

William W. Cramer, Commissioner
John P. Linn, Commissioner
Joel E. Bousman, Commissioner

Town of Big Piney

Phillip Smith, Mayor

Town of Marbleton

Jim Robinson, Mayor

Town of Pinedale

Stephen Smith, Mayor

February 9, 2009

Governor Dave Freudenthal
Capitol Building
200 West 24th Street
Cheyenne, WY 82002

Dear Governor Freudenthal:

We have reached the point of preparing a single priority list of the most urgent infrastructure needs to address the socio-economic impact of energy development throughout Sublette County. Our current estimate of the total cost to implement this list is \$71.1 million, of which we are short \$62.6 million in funds. We appreciate your patience over the last several years in helping to get us to this point.

Although our community has benefited enormously from energy development, our list illustrates that the costs of maintaining infrastructure and public services have outstripped our ability to fund these necessities. The towns in particular are at a disadvantage in funding infrastructure needs. They receive little in property tax receipts and rely on sales tax for the majority of their overall revenues. Sales tax receipts are generated by those who work and live in our communities, and have steadily risen over the past several years. They currently contribute an average of 74% of total revenue to the towns. In contrast, town revenue in the form of state severance taxes and federal mineral royalty taxes have changed only slightly during the same time period, as shown in Figure 1. These funds, which originate from tax monies paid directly by energy operators to the state and federal government, contribute little to overall revenue.

During the past four years, Sublette County and its municipalities have invested \$69.2 million in infrastructure improvements, of which the state contributed \$15 million through State Land Investment Board (SLIB) funding¹. We still have a long way to go. Our priority list contains projects which we believe are essential for the continued health, safety, and well-being of those who live and work within our county and our municipalities.

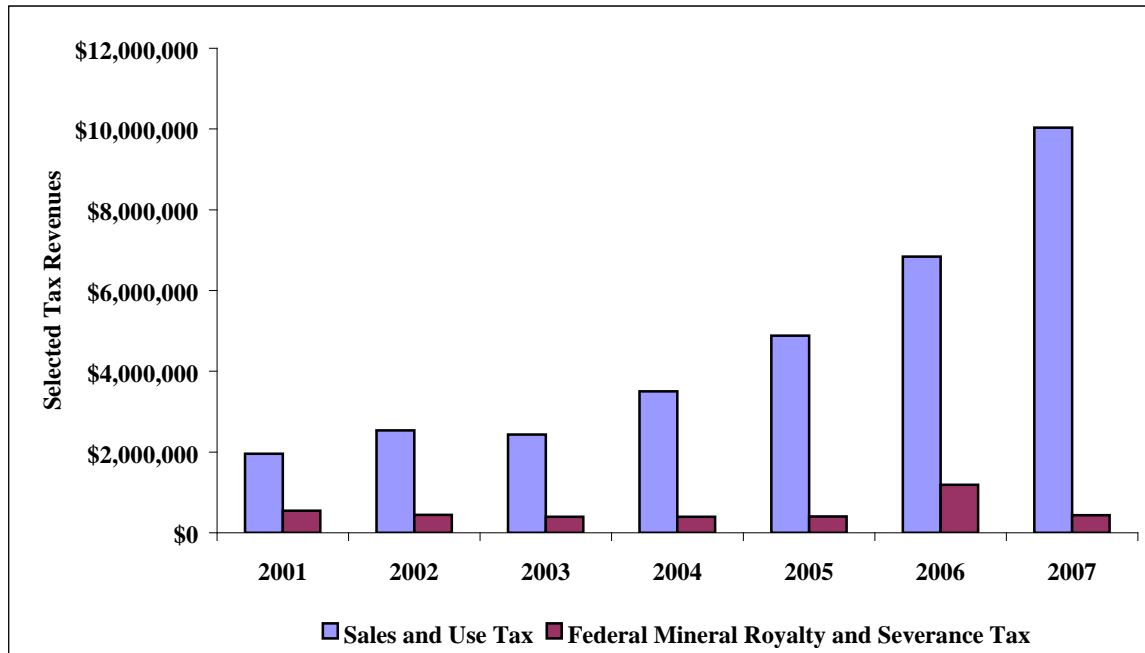
Please note that the pressing infrastructure needs expressed in this letter are just a portion of overall needs within the county and towns. Attached to this letter is a comprehensive list/map of infrastructure projects for each jurisdiction with current cost estimates. The cumulative list totals \$160.1 million, of which \$71.1 million is identified in this letter.

Below, please find information on the most critical infrastructure needs in our communities. Our signatures signify our collective agreement to the listings, and, to the best of our knowledge, we vouch for the accuracy of the information included. As our next step we request that you review our list of needs and offer suggestions and advice on how we could best succeed in our joint efforts. One option is to

¹ Jeanne Norman, Office of State Lands and Investments, State of Wyoming, June 2, 2008.

utilize the Sublette Community Partnership to discuss this list with key industry representatives and seek their pledges toward cost sharing.

Figure 1 Cumulative Federal Mineral Royalty, Severance, and Sales and Use Tax Revenue to Pinedale, Big Piney, Marbleton 2001-2007



Sources: Town of Big Piney financial statements 2001-2003; Town of Marbleton financial statements 2001-2003; Town of Pinedale financial statements 2001-2003; Treasurer of the State of Wyoming Annual Reports 2001-2007; Wyoming Department of Revenue Reports 2004-2007

Sewer and Water Repair and Maintenance

Pinedale’s existing sewer infrastructure is 80 years old and disintegrating. Current sewer and water lines are made of clay which is cracked and broken throughout the system. All lines within Pinedale will be replaced by 2014. Phases 5 and 6 of the Pinedale Sewer Replacement Project will replace 32,000 linear feet of pipe. At the same time, roads affected by these phases will be repaired or resurfaced. Marbleton’s existing sewer lagoon freezes during the winter and has been out of compliance with Department of Environmental Quality standards for at least the past eight years. Big Piney’s water and sewer lines are 50 years old and made of cast iron. Lines are broken throughout the system and must be replaced. Big Piney has already replaced the town’s sewer lines and is in the process of replacing all water lines. At the same time, affected roads will be repaired or resurfaced.

Table 1 lists the highest priority sewer and water repair and maintenance projects in Sublette County’s towns. Additionally, the overall project costs, the funds currently available for each project, and the shortfall for each project are identified.

Table 1 Sewer and Water Repair and Maintenance Costs (Arthur 2008; Hurd 2008; Murphy 2008; Ninnie 2008)

Location	Project	Project Cost	Funds Available	Shortfall
Pinedale	Sewer Repair, Phases 5 and 6	\$16.4 million	\$2.0 million	\$14.4 million
Marbleton	Aerated Sewer Lagoon	\$5.1 million	\$2.9 million	\$2.2 million
Big Piney	Water Line Replacement	\$9.1 million	\$400,000	\$8.7 million
Total		\$30.6 million	\$5.3 million	\$25.3 million

Water Supply and Treatment

Two water towers serve the town of Marbleton and are the only sources of water for energy operators in the area. One of Marbleton's two water towers is very old and structurally unreliable, requiring replacement. In addition, Marbleton recently drilled an additional well to provide domestic and commercial water but found that fluoride levels were unacceptably high. Treatment is required to remove the excess fluoride. Pinedale's drinking water is obtained from Fremont Lake. The Environmental Protection Agency requires all surface water to be filtered or otherwise treated for microbes. Big Piney has two historic landfills that must be monitored to maintain water quality. Table 2 lists the highest priority water supply and treatment projects in Sublette County.

Table 2 Water Supply and Treatment Costs (Murphy 2008; Ninnie 2008)

Location	Project	Project Cost	Funds Available	Shortfall
Marbleton	Fluoride Treatment, Water Tower Replacement	\$1.6 million	\$249,000	\$1.4 million
Pinedale	EPA-Mandated Ultraviolet Water Treatment	\$3.8 million	None	\$3.8 million
Big Piney	DEQ-Mandated Groundwater Monitoring	\$125,000	None	\$125,000
Total		\$5.5 million	\$249,000	\$5.3 million

Road Repair and Maintenance

Traffic on the Calpet Highway and the Dry Piney Road has increased tremendously since 2000, turning them into high-use roads with an accelerated need for maintenance. A substantial number of vehicles travel these roads annually, with 20% being larger than a pickup. The cost of paving is approximately \$1.1 million per mile. Table 3 lists the highest priority road repair in Sublette County.

Table 3 Road Repair (Lankford 2008)

Location	Project	Project Cost	Funds Available	Shortfall
Sublette County	Repave Calpet Highway and Pave Dry Piney Road (32 miles)	\$35 million	\$3 million	\$32 million

We will be happy to provide more information or answer any questions you may have. Thank you for your continued support for and interest in addressing Sublette County's energy-related impacts.

Sincerely Yours,

Stephen Smith
Mayor, Pinedale

Jim Robinson
Mayor, Marbleton

Phillip Smith
Mayor, Big Piney

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