



ARAPAHOE COUNTY
PUBLIC WORKS & DEVELOPMENT

Energy Program Inspections Fees

July 22, 2025



Background



ARAPAHOE COUNTY
PUBLIC WORKS & DEVELOPMENT

- October 2024: the Board supported the creation of an energy program within PWD
- December 2024: the Board approved Phase 2B oil & gas regulations, including an inspections program
- December 2024: approval of 2025 budget, including FTE for an oil & gas inspector
- Energy program is intended to be fee-supported



Background



ARAPAHOE COUNTY
PUBLIC WORKS & DEVELOPMENT

- Energy program goals:
 - Protect public health, safety, welfare, and the environment
 - Avoid and mitigate adverse impacts of energy development
 - Promote, administer, and enforce protective local energy regulations
- Inspections:
 - Inspect each drilling, completing, producing, and shut-in well twice per year



Purpose



ARAPAHOE COUNTY
PUBLIC WORKS & DEVELOPMENT

- The purpose of today's study session is to provide you with a recommended fee schedule and public feedback we received on the proposed fees
- The fees are designed to cover program costs; including additional FTEs as both wells and workload increase
- We seek direction on proceeding with the proposed fee schedule



Proposed Fees



ARAPAHOE COUNTY
PUBLIC WORKS & DEVELOPMENT

- \$3,000 per pad annually
- \$1,500 per well annually
- 17 well pad:
 - \$3,000 (1 pad) +
 - \$25, 500 (17 wells) =
 - \$28,500 annually



Public Comments



ARAPAHOE COUNTY
PUBLIC WORKS & DEVELOPMENT

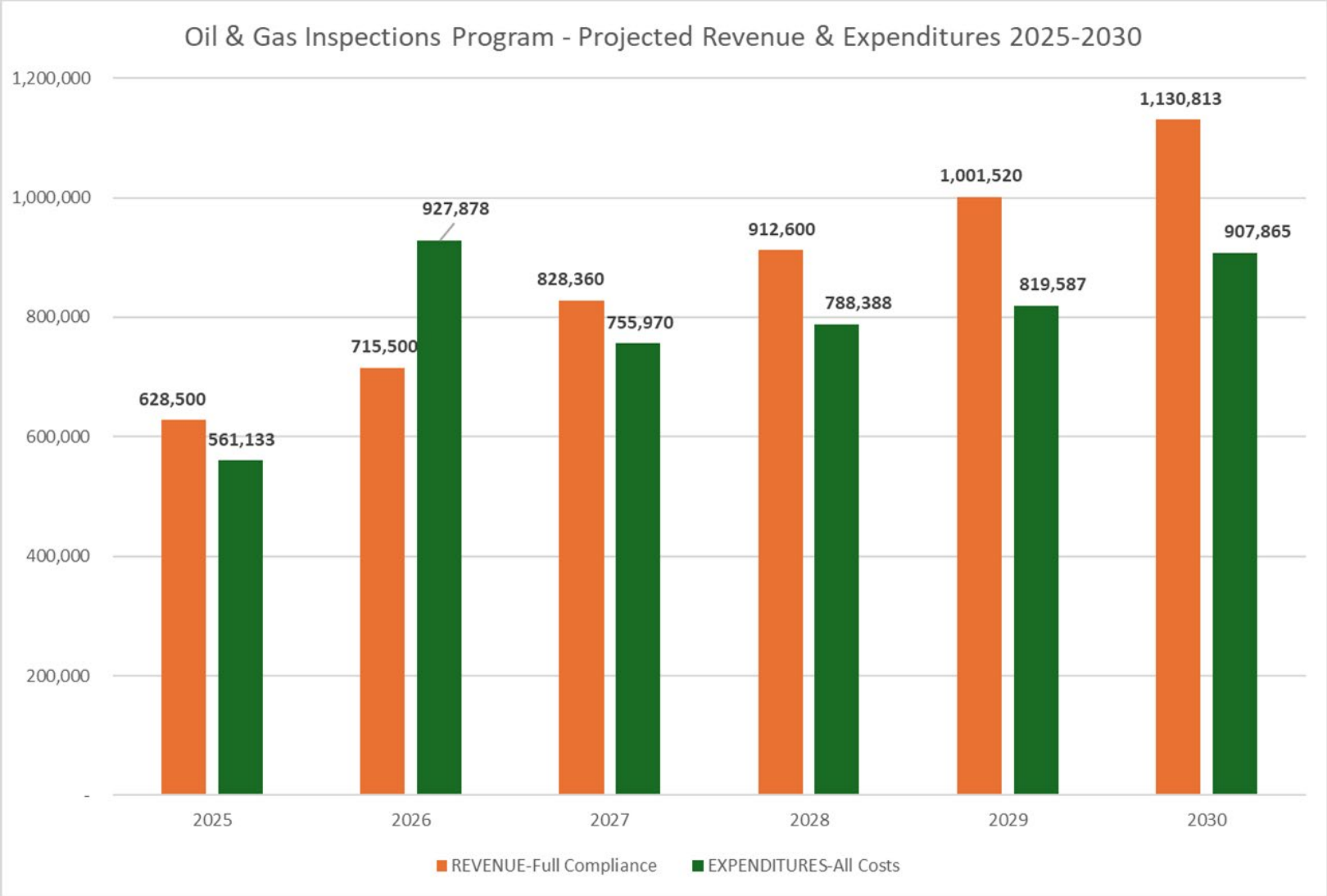
- Fees too low to cover program costs
- Concern that fees/inspections are a prelude to fines
- Fees too low to cover impact of drilling
- Inspections should be more frequent
- Desire to ensure industry, and not general fund taxpayers, pay for the program



Revenue Projections



ARAPAHOE COUNTY
PUBLIC WORKS & DEVELOPMENT



Note: Due to equipment replacement costs, 2031 costs are expected to be higher than 2027-2030; all funds received are meant to be spent exclusively on the inspection program and its growth.

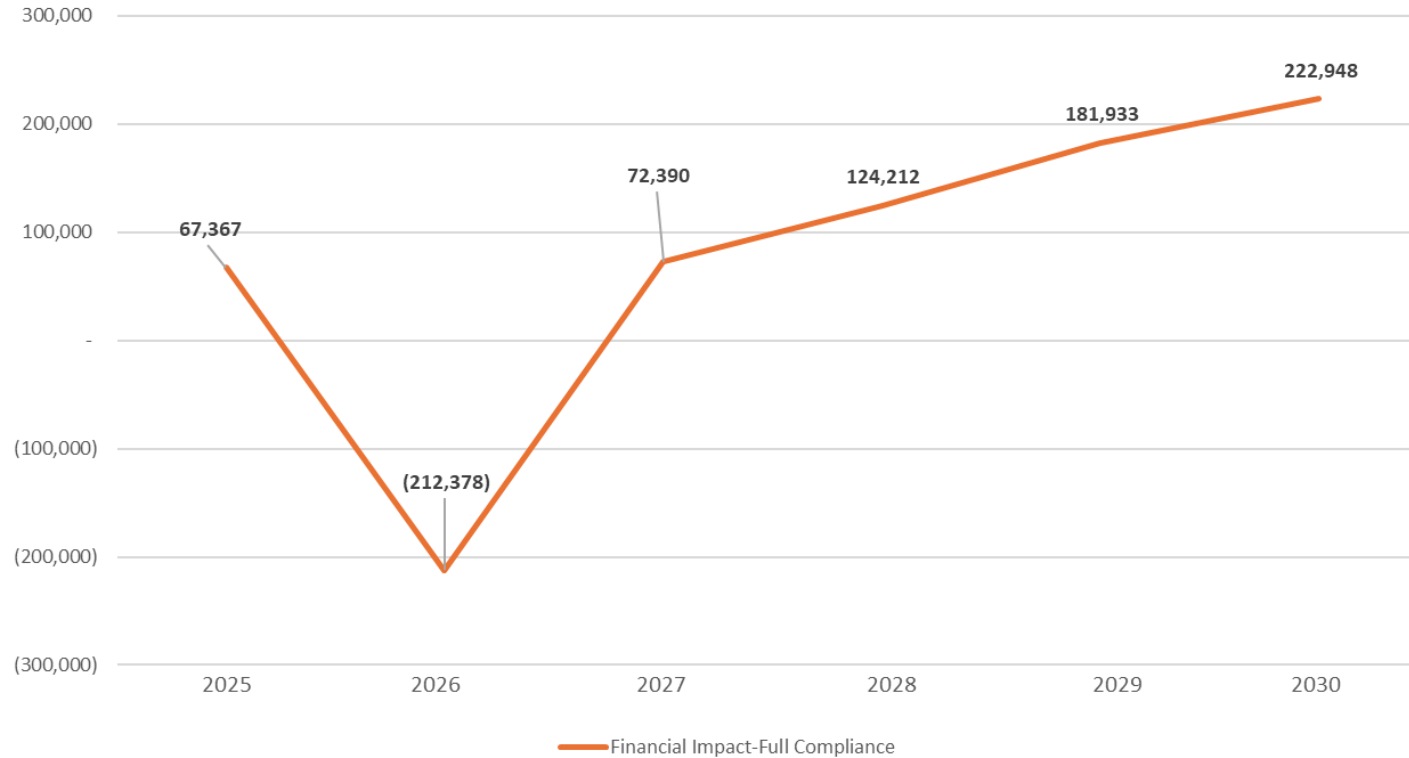


Revenues/Expenditures



ARAPAHOE COUNTY
PUBLIC WORKS & DEVELOPMENT

Financial Impact of Oil & Gas Inspections Program (2025-2030)



	2025	2026	2027	2028	2029	2030	TOTAL
REVENUE-Full Compliance	628,500	715,500	828,360	912,600	1,001,520	1,130,813	5,217,293
EXPENDITURES-All Costs	561,133	927,878	755,970	788,388	819,587	907,865	4,760,821
Financial Impact-Full Compliance	67,367	(212,378)	72,390	124,212	181,933	222,948	456,472



Summary



ARAPAHOE COUNTY
PUBLIC WORKS & DEVELOPMENT

- Fees cover reasonable and necessary program costs
- Due to one-time expenditures (equipment or projected additional FTEs), some years have a deficit
- We will monitor revenues and expenditures and report annually to ensure fees continue covering costs

