Moratoria Madness

A Look At Wisconsin’s Regulatory Climate
Sand Mining Moratoriums: An Update

Proppants Summit:
Overcoming the Shortage from Mine to Well

July 23-25, 2012

Presented By:
Attorney John Robert Behling &
Attorney Anders B. Helquist

www.wrpr.com
“These are short-term jobs [that will only last 30 years.]” — County Board Supervisor

“I think it’s way too early to lift the moratorium when we haven’t concluded what we’ve put the moratorium in for.” — County Board Supervisor

“Well, the good news is this whole fracking thing will be over when Pennsylvania blows up.” - County Board Supervisor
Status of Wisconsin Legislation

Photo by: Tom Lynn, Journal Sentinel
February 2011

Photo by: Scott Olson, Getty Images
03/10/2011

Photo by: Nina Ham, The Daily Page
01/26/2012
Assembly
99 Members
59 Republicans
39 Democrats

Senate
33 Members
17 Democrats
16 Republicans

Governor Walker
Line Item Veto Authority
When asked for his opinion on frac sand mining, Governor Walker replied, “There is a miner on the Wisconsin flag for a reason.”
Status of Wisconsin Legislation

- Special Session on Mining
Status of Wisconsin Legislation

- **Senator Vinehout’s Bills**

  **2011 Senate Bill 405**
  - Would list frac sand mining as a conditional use which would require at least two hearings
  - Would list frac sand mining as a prohibited use in residentially-zoned areas
  - No application to unzoned townships

  **2011 Senate Bill 406**
  - Notice at least 30 days prior to a meeting where a political subdivision will take action on "an application for a frac sand mine"
  - Send written notice to owners and occupants of any land within one mile of the proposed operation at least 30 days prior to a meeting
  - No definition for "an application for a frac sand mine" creates questions regarding what type of application this Bill would apply to (e.g., CUP, rezone, building permit, variance, developer's agreement)
WHERE THE BEST FRAC SAND IS (RED)

Outcrop Areas of Cambrian Quartz Sandstones
(USGS Geologic Map of USA)
Locations of Frac Sand in Wisconsin

Principal Areas of Interest: Western Wisconsin
“[T]he county board of supervisors hereby prohibits the expansion of any nonmetallic mining operation beyond its physical dimensions as identified in the reclamation plan on file as of the date of adoption of the ordinance and further prohibits the processing of applications for new nonmetallic mine reclamation permits or new conditional use permits for nonmetallic mines, the issuance of new nonmetallic mine reclamation permits or new conditional use permits for nonmetallic mines and creation of any new nonmetallic mining operation during the pendency of the moratorium...” - Eau Claire County Nonmetallic Mining Moratorium Ordinance

“...Nor shall any of the committees [of the Pepin County Board of Supervisors. . . grant any . . . exemption or variance for frac sand mining if it would be contrary to the purposes of this section.” - Pepin County Nonmetallic Mining Moratorium Ordinance
“Moratorium” Defined

B. Longevity

- Temporary
- Three months to two years
“Moratorium” Defined

C. Stated Intentions

- Allow local government adequate time to study impacts on the health, safety and welfare of the public.

Chippewa Herald
March 24, 2012
“Moratorium” Defined

C. Stated Intentions

- Allow local government adequate time to study impacts on the health, safety and welfare of the public
- Assess infrastructure needs
C. Stated Intentions

- Allow local government adequate time to study impacts on the health, safety and welfare of the public
- Assess infrastructure needs
- Allow governments time to enact ordinances and policies that will protect the public
“Moratorium” Defined

B. Unstated Intentions
Legal Basis For Moratoria
Legal Basis For Moratoria

• County-Wide

  ➢ Planning and Zoning Powers

    (Wis. Stats. § 59.69)

    ▪ Purposes of Wis. Stats. § 59.69 include promoting public health, safety, and general welfare; ensuring adequate highway facilities; encouraging uses of land and other natural resources which are in accordance with their character; providing adequate light and air; encourage protection of groundwater resources; preserving wetlands; and conserving soil and water resources

    ▪ For the purpose of promoting the public health, safety, and general welfare, a county board may adopt an ordinance best suited to carry out the purposes of Wis. Stats. § 59.69. This ordinance can determine, establish, regulate, and restrict areas within which mining may be conducted and designated certain areas or uses which may be subject to special regulation.
Legal Basis For Moratoria

• County-Wide
  ➢ Planning and Zoning Powers
    (Wis. Stats. § 59.69)

• Municipalities (City, Village, or Town)
  ➢ Interim Zoning for Planning Purposes
    (Wis. Stats. § 62.23(7)(da))
  ➢ Development Moratoria for rezoning, approving subdivision or
    or other land division
    (Wis. Stats. § 66.1002)
Moratoria Statistics

Currently in Northwest Wisconsin:

- 3 counties have a frac sand mine moratorium in place
- Weld Riley is the first firm to obtain an exemption to a frac sand mine moratorium (Eau Claire County on behalf of Hi-Crush)
- 17 townships have a frac sand mine moratorium in place
- All of the moratoriums enacted have a duration between 3 months to 1 year, with the exception of the Town of Stockholm, Pierce County, Wisconsin
- The Town of Stockholm has a moratorium in place for no longer than 2 years
Moratoria By A Different Name
Moratoria By A Different Name

• Nonmetallic Mining Ordinances
  A. Town of Cooks Valley Nonmetallic Mining Ordinance

"The Town Board shall grant the permit, whether with or without conditions, if it is determined that the development and operation of the nonmetallic mine is in the best interests of the citizens of the Town, and will be consistent with the protection of the public health, safety and general welfare." - Town of Cooks Valley Nonmetallic Mining Ordinance
Moratoria By A Different Name

• Nonmetallic Mining Ordinances
  A. Town of Cooks Valley Nonmetallic Mining Ordinance - continued
    1. Conditions the Town can impose include, but are not limited to:
       a. Financial security for town road maintenance and repair
       b. Restrictions on hours of operation
       c. Restrictions on truck routes on town roads
       d. Restrictions on truck and traffic volume into and out of the mine site
       e. Restrictions to protect groundwater quantity and quality
       f. Restrictions to safeguard public and private drinking and agricultural wells
       g. Restrictions to control air emissions and dust from the mine and its operations
       h. Any other restrictions deemed necessary or appropriate by the Town board to protect public health and safety and promote the general welfare of the Town and its citizens
Conditional Use Permits and Rezoning

A. Rezoning

1. Nonmetallic Mining Overlay Districts
   a. In Eau Claire County, must get rezoned into the Overlay District before applying for a conditional use permit (nonmetallic mining is a conditional use in the Overlay District)

2. Hearings before Town Board, County Zoning Committee, and full County Board

3. Strict rezoning standards in certain districts, such as Shoreland District

4. Concurrent permitting prohibited
**Conditional Use Permits and Rezoning**

B. CUP Conditions and Informational Requirements

1. Eau Claire County CUP Application Post-Moratorium (for zoned townships)
   a. Requires over 30 separate informational items, including:
      i. Reclamation Plan
      ii. Operational Plan
      iii. Proof of application for local, state and federal permits required to operate the nonmetallic mining operation (e.g., construction air permit, wetland permit(s), other Chapter 30 permits regarding waterways)
      iv. A map of all residential, agricultural and municipal wells within ½ mile of the proposed mine site boundaries
Conditional Use Permits and Rezoning

B. CUP Conditions and Informational Requirements

1. Eau Claire County CUP Application Post-Moratorium (for zoned townships)
   a. Requires over 30 separate informational items, including - continued:
      
      v. Maps of proposed transportation routes
      vi. Description of all chemicals used in the manufacturing or processing operations
      vii. Hydrogeologic studies that include groundwater modeling
Conditional Use Permits and Rezoning

B. CUP Conditions and Informational Requirements

1. Eau Claire County CUP Application Post-Moratorium (for zoned townships) - continued

b. Mandatory Conditions/Requirements for CUPs

i. Restrictive Hours of Operation

ii. Groundwater Monitoring Program

iii. Other County approvals (erosion control, stormwater, road agreements, driveway) become part of the CUP
• Conditional Use Permits and Rezoning

B. CUP Conditions and Informational Requirements
   1. Eau Claire County CUP Application Post-Moratorium (for zoned townships)
      - continued

   c. Unduly Harsh Consequences With Little To No Due Process
      i. “Failure to comply with this [ordinance] automatically terminates this permit.”
Strategies For Dealing With Moratoria
Strategies For Dealing With Moratoria

- Legal
  A. Pre-Moratorium
     1. File applications – grandfathering
     2. Registration of Marketable Nonmetallic Mineral Deposit
Strategies For Dealing With Moratoria

• Legal
  B. During the Moratorium
     1. Litigation
        a. Litigation is not always the best approach (GASP!)
           i. “Good neighbors don’t sue.” – Eau Claire County Supervisor
           ii. Severs constructive relations with government officials
           iii. Harms future permitting
           iv. Bad public relations
           v. Notice of Claim requirement is 6 months prior to suing a town or county
           vi. Mandamus action optional
Strategies For Dealing With Moratoria

• Legal

B. During the Moratorium
   1. Litigation
      a. Litigation is not always the best approach (GASP!)
      b. Violation of NR 135 and the local reclamation ordinance
         i. High Country Sand Co.'s litigation in Eau Claire County
         ii. Reclamation permit under NR 135 is a "shall issue" permit by the County which requires following certain timelines, whether town zoned or unzoned
         iii. NR135 only allows reclamation plan denial on certain grounds - moratoria expand the reasons beyond those permitted by the regulation
         iv. NR 135.46 provides "A county or municipality may not amend its nonmetallic mining reclamation ordinance in a manner which makes it more or less restrictive than this chapter."
Strategies For Dealing With Moratoria

• Legal
  B. During the Moratorium
    1. Litigation
       a. Litigation is not always the best approach (GASP!)
       b. Violation of NR 135 and the local reclamation ordinance
       c. No express statutory authority in Wis. Stats. § 59.69 for counties to enact moratoria
Strategies For Dealing With Moratoria

• Legal
  B. During the Moratorium
     1. Litigation
     2. Continue Other Application and Permitting Processes
Strategies For Dealing With Moratoria

• Legal

• Political
Strategies For Dealing With Moratoria

• Political
  A. Pre-Moratorium Political Advocacy
     1. Discussions with local elected officials and information sharing
Strategies For Dealing With Moratoria

• Political
  B. During the Moratorium
  1. Discussions with local elected officials and local governmental staff
  2. Utilize other local connections with community leaders
Utilization of Local Connections
Strategies For Dealing With Moratoria

• Political
  B. During the Moratorium
     1. Discussions with local elected officials and local governmental staff
     2. Utilize other local connections with community leaders
     3. Hold a press conference
Hi-Crush Makes $25,000 Donation to Augusta School District
Strategies For Dealing With Moratoria

• Political
  B. During the Moratorium
    1. Discussions with local elected officials and local governmental staff
    2. Utilize other local connections with community leaders
    3. Hold a press conference
    4. Host a job fair
Job Fair – February 28th

As we plan our operations in Eastern Eau Claire County, we are looking for intelligent, dedicated, hardworking employees to join our team. We are a leader in the frac sand mining industry implementing state-of-the-art technology for environmentally friendly mining. We offer quality well-paying jobs with a strong benefits package.

Positions: We have 50-75 positions available for plant operators, engineers, administrative support professionals and general laborers.

Date: Tuesday, February 28, 2012

Time: 6:00-8:00 p.m.

Where: Augusta Senior Center
601 Main Street
Augusta, WI 54722

What to bring: Please bring a resume with a cover letter. Job applications will be available.

Hi-Crush Proppants LLC is an equal opportunity employer, committed to promoting equal employment opportunities for all applicants and employees, regardless of age, race, color, national origin, religion, creed, handicap, disability, sex, sexual orientation, marital status, physical condition, political affiliation, membership in the national guard, state defense force or any other reserve component of the military of the United States or this state, and any other status protected under applicable federal or state law.
Strategies For Dealing With Moratoria

- Political
  - B. During the Moratorium
    1. Discussions with local elected officials and local governmental staff
    2. Utilize other local connections with community leaders
    3. Hold a press conference
    4. Host a job fair
    5. Have an Open House and give away t-shirts
Strategies For Dealing With Moratoria

• Political

B. During the Moratorium

1. Discussions with local elected officials and local governmental staff
2. Utilize other local connections with community leaders
3. Hold a press conference
4. Host a job fair
5. Have an Open House and give away t-shirts
6. Meet with the environmentalists
“…Some Kind of Meeting or Town Hall Forum Is In Order…”

YOUR VIEWS

How about a town hall forum?

Representatives of EOG Resources, Inc., the new owners of land and mining permits formerly owned by Canadian Sand and Proppants, have been in town briefly to meet with the local media and at least one member of the city council to explain their goals and answer questions.

Appearing at the June 3 council meeting, Curt Parsons from EOG told the members of the council and citizens who were present that the mining/gas and oil company plans to be a good neighbor.

Good neighbors talk to each other, yet no effort has been made to date by EOG to provide an opportunity for the people in the city and surrounding areas to ask questions and receive answers. Some kind of meeting or town hall forum is in order—and soon.

Patricia J. Popple
Chippewa Falls

Letter to Editor
Chippewa Herald
June 13, 2010
Response to Meeting Request

June 15, 2010

Mayor Greg Hoffman
City of Chippewa Falls
30 W. Central Street
Chippewa Falls, WI 54729

RE: EOG Resources, Inc.

Dear Mayor Hoffman:

As you already know, our firm serves as local counsel to EOG Resources, Inc.

With this in mind, I wanted to provide a quick note to update you on an important matter between some concerned citizens and the EOG company. As you know, Patricia J. Poppe sent a letter to the Chippewa Herald which ran in Sunday’s edition of the paper. The writer was critical to EOG for not “reaching out to its neighbors” and for a lack of communication.

Ms. Poppe’s letter stated, “good neighbors talk to each other, yet no effort has been made to date by EOG to provide an opportunity for the people of the City and surrounding areas to ask questions.” Although I thought it odd that a neighbor would attempt to arrange a meeting through the media versus just contacting our office or EOG directly; we read her letter and want to respond accordingly.

Please kindly know Mr. Curtis Parsons, the lead person on this project for EOG, is currently traveling on a two-week international trip. Therefore, he has authorized Mr. Eric Dillé, the head of the Government Relations Division of EOG, to travel to Wisconsin to meet with Ms. Poppe. Thus, our office contacted the airlines and made the necessary travel arrangements in order to respond to Ms. Poppe in an expedient manner.

I contacted Ms. Poppe on Monday, June 14, 2010, and indicated Mr. Dillé, Attorney Brian Nodolf (who is from Chippewa Falls) and myself would like to have a cup of coffee with her to discuss her concerns. Ms. Poppe indicated she would like to have additional people present. I responded that she was welcome to bring her “executive group” of the CCC and we would sit down, have coffee and a nice discussion.

Ms. Poppe then indicated she believed we should have a public forum rather than a casual meeting. I informed her the proverbial “door” was open regarding a public meeting. Nonetheless, in order to make the meeting productive, we want to know what her concerns are prior to committing to a Town Hall-type meeting so it can be effective, informative and educational. I also let Ms. Poppe know this could be the beginning of a series of meetings and EOG has an “open door” to allow many discussions.

With this in mind, we confirmed we would meet in a local restaurant on Thursday, June 17, 2010, from 10:30 to 11:30 a.m. EOG and our office looked forward to this meeting and having a good discussion with Ms. Poppe and some of her colleagues.

I was disappointed this morning when I was contacted by Ms. Poppe notifying me that she is cancelling that meeting. Ms. Poppe made it clear she is unwilling to meet with us. She also indicated she is not willing to sit down with us at any time regarding her concerns. I conveyed our disappointment, but let her know she can contact us in the future if she changes her mind. I reaffirmed that EOG will maintain an open door to hearing her concerns. When Ms. Poppe heard we had an open door to meeting with her anytime, she responded with disinterest.

I thought it important to convey this to you as an example of EOG’s willingness to engage in communicating with all of Chippewa’s residents. Further, since Ms. Poppe is unwilling to meet with us, in order to get value out of the airline and hotel accommodations we have purchased, we immediately contacted Dr. Steve Cook. Dr. Cook has agreed to meet with us and have a cup of coffee and share his concerns regarding the planned project. We look forward to meeting with Dr. Cook and will provide your office with a follow-up report at the completion of our meeting.

Thank you in advance for your time, and please let us know if you have any further advice regarding this important project. EOG very much looks forward to ongoing construction and assisting your office in bringing jobs and opportunity to the great City of Chippewa Falls.

Very truly yours,

WELD, RILEY, PRENN & RICCI, S.C.

[Signature]

JRB/kan

cc: City Council
City Clerk
F:/Mer/157-3555 Correspondence/0012 Bud Endicott Folder/June 2010
Meeting Offer Declined – Who Looks Unreasonable Now?

Popple declines meeting with EOG

By Rod Steiger
rsteiger@wes.net

The owners of a sand processing plant in Chippewa Falls say they have been rebuffed in an attempt to meet with the woman leading opposition to the plant.

EOG Resources' efforts to set up a meeting with Patricia Popple of Concerned Chippewa Citizens are spurned out in a letter Tuesday to Chippewa Falls Mayor Greg Hoffmann from attorney John R. Behling of the Las Clausen law firm of Weld, Riley, Prenn and Ricci.

Behling, whose firm is representing EOG, noted a letter by Popple that the Herald published Sunday criticized EOG Resources for a lack of communication. In that letter, Popple mentioned that Carl Parsons, the company's lead person on the sand plant project, had publicly stated that the company plans to be a good neighbor.

"Good neighbors talk to each other, yet no effort has been made to date by EOG to provide an opportunity for the city and surrounding areas to ask questions," Popple wrote.

She concluded, "Some kind of meeting or town hall forum is in order—and soon."

Behling said he contacted Popple on Monday and offered to sit down with her over a cup of coffee and discuss her concerns. Behling said he would be joined in the meeting by attorney Brian Nodolf and Eric Dille.

Dille, the head of EOG's government relations division, would be flying to Chippewa Falls at the request of Parsons, who was on a two-week trip overseas.

"Ms. Popple indicated she would like to have additional people present. I responded that she was welcome to bring her 'executive group' of the CCC and we could sit down, have coffee and a nice discussion," Behling wrote in his letter to the mayor.

Beihling then discussed what Popple repeated what she had said in the Herald that the company should instead hold a public forum.

"We have asked for a town-hall meeting—not just me, but many—for two years," Popple said Wednesday. She would like EOG, Canadian Sands & Proponents (the previous owners and current plant operators), the city council, and area residents to get together for a public forum "to hear why this is such a good thing."

Behling said a town hall-type meeting was possible, but prior to committing to that, an initial meeting with her and a few other CCC members would give EOG a better idea of their concerns.

"I also let Ms. Popple know this could be the beginning of a series of meetings, and EOG has an 'open door' to allow many discussions," Behling said.

Behling said he confirmed a meeting with Popple for a local restaurant on Thursday.

"He finally agreed I could have two other people with me. He pushed for a time and I set up a time," Popple said.

But upon thinking it over, she changed her mind.

"Because this isn't just about me. I felt it was inappropriate," she said, defining EOG's strategy of "one of trying to divide and conquer. That's what they're doing with the council."

Popple called back Tuesday to cancel the meeting.

"Ms. Popple made it clear she is unwilling to meet with us. She also indicated she is not willing to sit down with us at any time regarding her concerns," Behling said. "I conveyed our disappointment, but let her know she can contact us in the future if she changes her mind."

Behling said because arrangements had already been made to bring Dille to town, they called Dr. Steven Cook and set up a Thursday meeting with him.

Cook is one of the doctors who in May signed a letter to the council listing their health concerns about a sand processing plant. He also spoke again on the subject at last Thursday's Chippewa Falls Public Safety Committee meeting.

City Council member Bill Hicks has also agreed to a Thursday meeting with EOG officials.

Ross Evavold contributed to this story.
The Bad Press Continues...

Leader of anti-sand group cancels meeting with EOG

- Story
- Discussion

(12) Comments

1. Keepin it Real said on: June 18, 2010, 5:57 am
   Patricia and Hank have been griping for over 2 years about meetings and transparency and now they have it but yet they choose to pass/ up an opportunity to have discussions with EOG officials (top executives of the company even), Pat the former educator should have been open minded enough to at least have 1 meeting and express her concerns once and for all especially being a former educator. You blew this one and now your credibility is gone among the residents of Chippewa Falls.
   Quote This Report Abuse

2. Alpine said on: June 17, 2010, 2:37 pm
   "Lina said on: June 11, 2010, 9:08 am
   Wake up CCCers!

   I was on the fence on this issue for a long time, the more I've looked at it the more I am in favor of it. Most of the reason is it's becoming more clear how this business truly poses no threat. The other reason is the paranoid delusion these CCCer's seem to operate under! They are hurting their own mistaken cause.
   Yes to jobs and no I don't own any sand, I live in downtown Chippewa Falls!"
   Quote This Report Abuse

Comments on Popple Declines Meeting with EOG article Chippewa Herald
Strategies For Dealing With Moratoria

• Legal

• Political

• Agreements
Agreements

A. Mining

1. Town of Bridge Creek Mining Agreement
2. Town of Howard
3. SIDE NOTE: Even if a town does not have a nonmetallic mining ordinance, it is our opinion a town can voluntarily enter into a mining agreement.
Strategies For Dealing With Moratoria

• Agreements
  A. Mining
     1. Town of Bridge Creek Mining Agreement
     2. Town of Howard
     3. SIDE NOTE: Even if a town does not have a nonmetallic mining ordinance, it is our opinion a town can voluntarily enter into a mining agreement.

  B. Road Use
     1. Chippewa County Road Use Agreement
        a. Identity of routes
        b. Identity of operators and authorized users
        c. Payment terms for road improvements and long-term maintenance
        d. Standards for improvements and maintenance
        e. Continuing cooperation with County
        f. Assignability
        g. Duration
Post-Moratorium Issues
Post-Moratorium Issues

• Communication
  A. Town, Village, or City Officials
  B. County Officials and Staff
Post-Moratorium Issues

- Communication
  A. Town, Village, or City Officials
  B. County Officials and Staff

- Expediting Permit Approvals
Questions?

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