



ASSOCIATED GOVERNMENTS
OF NORTHWEST COLORADO

MINUTES

AGNC BOARD OF DIRECTORS & MEMBER MEETING

November 14, 2018

Grand Valley Rec Center, 398 Arroyo Drive, Parachute, CO 81635

9:00 am – 1:30 pm

Pledge of allegiance

Call to order and introductions– Chairman, Ray Beck Called the meeting to order at 9:11 am. Introductions were made. Peter Bair will serve as alternate for John Justman at this meeting.

Approval of minutes: Mike Samson made a motion to approve the minutes from the October 17, 2018, meeting as presented; Grady Hazelton seconded the motion; motion passed.

Financial report: Bonnie Petersen presented the financial report – total funds in checking and savings accounts at the end of October 2018 was \$483,124.01 and accounts receivable was \$42,044.24. Income for October was higher than projected budget and year-to-date revenue is higher than the budget projection. October expenses were lower than budgeted and year to date expenses are lower than budgeted. Year to date net income is better than projected budget and is now in the positive. It was noted that the budget line item for the Economic Development Summit expenses would need supplemental funding. Chris Nichols moved to approve the financials with an amendment to include funding for the ED Summit up to \$5,000.00; Duncan McArthur seconded the motion; motion passed.

2019 Meeting Schedule: Two proposed meeting schedules were presented to the board for 2019, one on the 3rd Wednesday of the month and one on the 4th Wednesday of the month with adjustments made for known meeting conflicts. Mike Samson made a motion to adopt the meeting schedule for the 3rd Wednesday of the month; Andy Key seconded the motion, motion passed. The schedule for the 2019 legislative calls was discussed and it was agreed that they would continue to be held on Thursdays during the session at 8:30 am. The legislature convenes on January 4, 2019, so the first legislative call will be held on January 10, 2019.

Project and Committee Reports:

Dinosaur Welcome Center – Cheryl McDonald provided a written update for the Center in which she noted that visitation increased approximately 20% in 2018. She also reported that the Colorado Tourism Office had stated at the Governor's conference that DWC would not be closed or have funding reduced going forward. Cheryl's full report is Appendix A to these minutes.

Area Agency on Aging – Heather Jones visited Routt County and Moffat County program administrators. Nutrition programs will have to have a food safety manager; health departments will determine how many are necessary. Projects will have to absorb the cost of food safety. Could look at DHS in Governor's budget and request funding for unfunded portions. Funds released funding that was currently held up at state that they have been working to get released.

Legislative Up Date – Richard Orf noted that there is one more JBC seat to be filled and that it is pretty heavily loaded with front range legislators from both houses. The committee structure will change in the new session. Committee assignments will be completed in December. The new administration's transition team leaders have been named. Richard noted that CCI has been working on a broadband bill perfecting ROW on utility lines to allow telecommunications. There is no language yet, but Senator

Kerry Donovan may possibly carry the bill. Broadband in rural areas is still a priority for the legislature. Expect to see a bill to allow counties to include employees in state health insurance plan. The State has more revenue coming in due to positive economic factors. State ballot initiatives failed but local initiatives passed for the most part. Ted noted that oil and gas issues are not going away – the Governor-elect indicated he will organize stakeholder groups to come up with common solution, those issues are likely to end up in negotiation chamber. Representative Rankin put a request in regarding Gallagher – the committee put forth an amendment to repeal or redo the formula, if passed, they would be referred measures. It's uncertain whether a 2/3 vote out of both houses can be achieved. Gallagher is harming local governments in rural areas and is harming businesses throughout the state. The written report from the Orfs is Attachment B to these minutes.

Thursday and Friday this week the air quality commission will have meetings about California emissions as adopted by Governor Hickenlooper's Executive Order; that order referenced low emission vehicles (LEVS) not zero emission vehicles (ZEVs) - hearings will discuss this the end of this week. The commission will talk about the LEVS and the roll back of the federal standards. ZEVs are being taken up separately and a request for hearing will be brought forward; a hearing will be in March if accepted. Diana started a draft letter that expresses concerns from a rural perspective in the event we want to weigh in on issues addressing distances, lack of infrastructure and cost. Incentives will raise cost of other vehicles. Passenger vehicles and light weight trucks would be phased in 2022-2025. Based on the California system for ZEVs credits are issued to manufacturers based on the driving range of the vehicles. The concern is they may have to supply them without additional incentives there is about a \$12,000 incentive package for ZEVs, but it is uncertain what that does to the cost of other vehicles. John Swartout noted that the starting point was the President rolling back existing standards. Governor Hickenlooper set a goal for low emission vehicles not zero emission vehicles. The air quality commission is holding stakeholder meetings, but the environmental corporations are looking for ZEV proposal. Governor Hickenlooper doesn't support a ZEV rule but it's unknown what the new administration will do. The draft letter provided by Diana was reviewed and discussed. Andy Key made a motion directing AGNC to work with Dianna on letter of concern regarding geography, etc. as it relates to LEV and ZEV vehicles; Chris Nichols seconded the motion; motion passed.

Colorado's Aeronautical Advantage – Dave Ulane, Colorado Aeronautical Director provided a presentation on aeronautics in Colorado. The Division of Aeronautics is part of CDOT but is semi-autonomous. Dave shared the make-up of the Aeronautical Board and the organizational chart. In 2018 the divisions awarded a total of 26 aviation grants which, when combined with local matching funds, leveraged \$51,480,939.00 in federal funding in support of aviation in the state. Airports provide communities with direct access to the global economy, thousands of jobs with positive economic impacts. They also support emergency and safety services; Colorado has 74 public use airports. The division partners with several Colorado airports to provide internship education programs and the mountain automated weather observing systems program. The division is also setting up the remote tower project to provide safer landings for pilots, airports and communities using technology and saving the high cost of having a tower at each airport. A remote tower can be anywhere, but it needs a 300 MBPS data pipe. The division does an economic analysis for Colorado airports and the next one will be released first quarter 2020 - airports will get a survey to collect data. High altitude plane testing is done in several locations in Colorado; Western Colorado communities have had a number of equipment tests including Telluride, Leadville and Rifle.

Workforce Opportunities for Businesses – Christina Oxley, Regional Business Services Coordinator, Colorado Workforce Center provided a presentation regarding business services available through the workforce centers. Workforce is a federally funded program since 1933. Traditionally the office helped people find jobs and be career ready through career planning and connecting them to available jobs. The workforce center focus transitioned to business services rather than job seekers in 1998 when they began to emphasize businesses coming to the table and directing training needs for workforce. In this way, they identify skills needed and those lacking in workforce. Chris's responsibility is to help businesses with analyzing turnover, HR consultation services, job interview techniques, labor law, reviewing performance

evaluation and personnel policies. Connecting COLORADO is the state database for job seekers - employers need to have active account - that helps to justify business support services. Business representatives will review job descriptions and provide insights into the available job pool and whether an employer is asking for too much. Workforce does hiring events, applicant screening and assessments. Assessment services are underutilized. Employers can require work keys and certification to demonstrate an employee has basic training. This is done through a test applicant can be given targeted at skills to verify that a potential employee is competent in those skills. On the Job training is available under certain circumstances and workforce will pay between 50 and 100% of a new hire's wages up to \$3,000 to help reduce training costs. Existing industry training grants provide customized job training - it's a competitive grant but NW Colorado performs well in grant scenarios. Innovative industries training provides up to \$5,000 for training. Work opportunity tax credit is available for certain employee groups. Workforce needs to qualify employees. Federal bonding available if hiring a felon. Business education - customized workshops round table focus groups, etc. Labor market information wage analysis, talent supply and demand, industry trends, demographic and population characteristics. Businesses are sometimes unaware of the services the workforce center can provide but there is a great deal of assistance available to help businesses make the right hiring decisions.

Update on White River Storage Project – Wolf Creek Reservoir – Jeff Rector, Rio Blanco County Commissioner provided an update presentation regarding the Wolf Creek Reservoir which is located between Rangely and Meeker; hydrologists say the White River would support a 400,000-acre foot reservoir. Rio Blanco county has lost industry due to lack of water in the area. If there is a call on the White River, the ag producers will not be able to get water. The Kenney reservoir life expectancy was just 30 years, we are just beyond that and Kenney reservoir is silting in the federal government stopped mitigation efforts. The reservoir loses about 300-acre feet per year due to silting - in the near future, the reservoir will no longer be able to provide water. There are three sources of storage around Rangely of about 12,000-acre feet of water which is not adequate for the community. The county may be getting close to making the Wolf Creek reservoir happen. A new reservoir may have hydro power designed in, a feasibility study determined Wolf Creek is the best location for the reservoir. It will probably take 5 to 6 years to fill with average precipitation. It is anticipated that the reservoir would bring many people to NW Colorado. \$700 million to dredge Kenney is not realistic and it would still only provide a small amount of water; it is a wetland where dredging is prohibited. Most studies have been indicating the need for a 90,000-acre foot reservoir. A 20,000-acre foot reservoir could cost \$119 million – 90,000 is \$135 million; will need a pump station to fill reservoir. Funding sources - potentially industry (if Jordan Cove is approved) lots of discussion but waiting to get permitting process completed. Just starting the environmental assessment.

Federal Delegation Updates:

George Rossman for Congressman Tipton noted that not a lot has been happening in house due to the elections; Congressman Tipton won re-election. Congressman Tipton introduced a bill to provide dental insurance to low income veterans; the opioid bill got passed, backed by Colorado and US hospital associations - opioids won't be prescribed unless absolutely needed; alternates are prescribed which has reduced prescriptions by 40%. Had contact from local officials for Congressional tributes - if someone needs to be honored would love to do tributes for anyone that should be honored by Congress.

Betsy Bair for Senator Gardner; the Senator has been in election mode. Three things of note: a letter was sent to the Senate Committee on appropriations talking about wildfire needs. Called for a modern, highly capable water tanker fleet for forest service. Need to provide tools to fight fires. Need to look long term for needs of fire fighters - tankers are the best defense to stop fires from becoming mega fires. Great news - BLS released new data - wages rising to highest in a decade nationally at a rate of 3.1%. There were 250,000 jobs added in October and the 3.7% unemployment rate is the best since 1969. Senators Gardner and Bennet met with doctors and researchers at children's hospital regarding a virus that is paralyzing children – they are calling it AFM - there are 15 confirmed cases in Colorado and 900 nationally. Children's hospital is at the forefront of research and all are looking for federal funds to address the issue before it becomes worse. The Senator and staff are working on plan for next year; if anyone has good

news, bad news, or information to share with Senator so he is aware of what is happening in the area, please let Betsy know. The Senator wants to celebrate what is being done in the Region; he averaged a visit to the West Slope once a month over the last year.

Alyssa Logan for Senator Bennet's office. Senator Bennet is working with Senator Gardner on a letter for firefighting funds. Need to get some bills completed in this Congress; the Senator is still working on the farm bill, LWCF and land issues in the omnibus budget. A question was raised about the possibility of LWCF funding to help with the Wolf Creek reservoir. Congress is not done with reauthorization fight for LWCF yet, but Betsy offered to look into the possibilities.

John Swartout for Governor Hickenlooper provided a couple of comments. AGNC needs to engage with the new administration - experience is that Denver comes up with a solution that does not fit in rural Colorado, so it is important to get them to look at the uniqueness of the Western Slope and the terrain and avoid one size fits all; it is critical way to weigh in. Fire season - we are blessed to have delegation that works together on fires in state. Governor gives verbal authorization after fire done assess spending kudos to delegation for working together.

An agreement was reached with Deputy Secretary Bernhardt on sage grouse mitigation and will sign an MOU on mitigation where the feds will defer to state on mitigation so what comes out of oil and gas process - feds will harmonize with state process. NSO issue is the only outstanding issue in the sage grouse plan but the Governor's office is working with BLM and DNR to craft language for DC then they will send the language to Bernhardt if we don't get it from him first. Counties don't really have a seat at the table so we are taking the Bernhardt language and crafting an MOU that would work with AGNC giving the counties seat at the table on WEMS. In addition to that, counties that work with smaller providers could do an assessment on places companies are looking at and develop a road map on where they can go BLM suggests they can do a study in Moffat County, so the producers don't go into an uncertain situation. This would create a path without going through the state - if we can get done before Hickenlooper leaves it could be beneficial. The incoming Governor made it clear that we should get everything done we can - he said he would honor it. Would like to get sage grouse done so we don't have to have the conversation again. Need to have county and/or AGNC sign MOU - perhaps use 1225 funds to do study. Would like to have a conference call and discuss these issues with the members; the Governor's office is trying to speed things up because DC has been so busy. Want to honor what Bernhardt has in mind. Mike Samson made a motion to move authorization for MOU if needed for AGNC with BLM for local WEM implementation for sage grouse issues; Jeff Rector seconded the motion; motion passed. We will try to schedule a call on November 30th.

Administrative Update:

Bonnie Petersen provided an administrative update for the group. AGNC completed the 2018 ED Summit which was the 4th annual event and was held in Rangely in November. The sage grouse mapping project was wrapped up and the revised maps were submitted to CPW at the end of October; now CPW will do a final review and AGNC requested they submit the maps to BLM for adoption no later than November 30, 2018, Director Bob Broscheid asked JT Romatzke to oversee that process. AGNC and community partners in Moffat, Rio Blanco and Routt counties are working with universities in Utah to develop a joint grant request to be submitted to EDA for a feasibility study on a coal to products platform for coal reliant communities in NW Colorado and Utah. The board may want to authorize AGNC to apply for that grant as well any grant associated with the EDD designation.

AGNC had many things going on throughout the year but major accomplishments include:

- Anvil Points funds released and directed to counties
- CEDS completed – EDD application submitted
- Sage grouse mapping project completed
- Initiated Coal to Products conversation

Mike Samson made a motion to authorize AGNC to apply for grants from the Economic Development Administration (EDA); Andy Key seconded the motion; motion passed.

A written document of AGNC's accomplishments was requested by Mike Samson and Ray Beck suggested a letter of thanks be sent to our Congressional delegates for the support and participation of their staff in our meetings and for our organization.

New Business:

Ray Beck offered AGNC's appreciation to Amy Provstgaard & Battlement Mesa for providing the venue for the November meeting. Amy provided an update of work taking place in Battlement Mesa. New businesses are coming into the community and there are some new houses being constructed - housing market is doing well - existing houses are selling relatively quickly. Tiffany offered a personal thank you to Amy and Battlement Mesa Services. Amy was very helpful in arranging the meeting venue and ordering lunch, etc. which was so appreciated.

Next Meeting will be February 20, 2019, at a location to be determined.

Meeting was adjourned at 1:33 pm.

Attendance:

Betsy Bair, Senator Gardner's Ofc.	Dave Norman, AAoA
Duncan McArthur, City of Grand Jct.	Heather Jones, AAoA
Amy Provstgaard, Battlement Mesa	Pete Baier, Mesa County
Chris Nichols, City of Craig	Stuart McArthur, Town of Parachute
Roger Granat, Town of Palisade	Richard Orf, Orf and Orf
Ray Beck, Moffat County	Kris Melnikoff, Town of Collbran
Tiffany Pehl, AGNC	Trent Hyatt, City of Glenwood Springs
Bonnie Petersen, AGNC	Andy Key, Town of Rangely
Grady Hazelton, Town of New Castle	Alyssa Logan, Senator Bennet
Mike Samson, Garfield County	Ted Orf, Orf and Orf
George Rossman, Congressman Tipton	John Swartout, Governor Hickenlooper's Ofc.
Chris Treese, Colo. River District	Scott A. Hahn, City of Rifle
Diana Orf, via Conference Call	

Attachment A

AGNC REPORT
NOVEMBER 2018

October numbers were up 26% greeting a total of 2179 visitors. The total number of visitors from March 1st thru October 31st, 2018 was 25,957 up over 5,000 from the previous year.

At the CTO board meeting during the Governor's conference it was confirmed not to close or reduce funding for any of the centers.

I would like to personally thank AGNC, the board and members for all your support for the center.

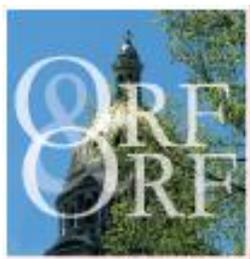
The center will close for the season on Friday November 30th. The new bathroom stalls and painting will be done during this time.

Again: THANKS TO EVERYONE for everything you've done for the Center this past year. Have a great Holiday Season.

Cheryl McDonald

Attachment B

Associated Governments of Northwest Colorado (AGNC)
Government Affairs Report
November 13, 2018



Election Update

Election Day (November 6) has come and gone, leaving in its wake a host of changes across the country and most notably in Colorado. Democrats swept all four statewide seats (Governor, Lt. Governor, Secretary of State, and Attorney General) and regained control of the Colorado Senate while increasing numbers in the Colorado House. The Governor-elect's chief of staff will be Lisa Kaufman, who oversaw Polis' Washington office operation from 2014-17 and chaired the campaign effort.

Transition teams named. Governor-elect Jared Polis lost no time in announcing his transition teams that will assist in selecting new heads for the state's Executive Branch agencies. The seven teams lean heavily on former Boulder county officials and business representatives. Additional transition representatives will be announced November 16. Thus far, appointees include:

- **Transportation, infrastructure and local affairs.** Co-chairs are former Speaker of the House Crisanta Duran of Denver and former House Minority Leader Sal Pace of Pueblo. Issues and departments covered include broadband, the Department of Local Affairs and the Colorado Department of Transportation
- **Economic development and labor** led by Gary Arnold and John Tayer. The team will oversee transitions related to the Office of Economic Development and International Trade, and the Department of Labor and Employment. Arnold is business manager for Local 208 of the Pipefitters Union. Tayer is president and CEO of the Boulder Chamber of Commerce.
- **Consumer services** co-chaired by Lt. Gov. Donna Lynne and former Democratic Party Chair Rick Palacio. The team also includes U.S. Rep.-elect Joe Neguse of Boulder; Wanda James, CEO of Simply Pure, a recreational marijuana dispensary; former Speaker of the House Dickey Lee Hullinghorst; and Ramona Martinez, former president of the Denver City Council. The team will take charge of the Office of Information Technology, and the departments of revenue, regulatory affairs (Neguse is a former executive director) and personnel and administration.
- **Health and human services**, led by Dr. Malik Hasan, founder and CEO of NuVue Pharma and former Speaker of the House Andrew Romanoff, CEO of Mental Health Colorado. The team includes Summit County Commissioner Dan Gibbs and former Hickenlooper chief of staff Roxane White. They will work on transitions for the departments of human services, health care policy and financing, public health and environment and the Colorado Division of Insurance, which is part of the Department of Regulatory Agencies.
- **Energy, natural resources and agriculture**, chaired by former Gov. Bill Ritter, director of the Center for the New Energy Economy; and Andrew Currie. The transition team will include Jim Alexee, director of the Colorado Sierra Club; former Boulder County Commissioner Elise Jones; former Commissioner of Agriculture and water policy guru John Stulp; and Tim Marquez, former CEO of oil and gas company Venoco. The team will lead transition work on the Colorado Energy Office, the departments of agriculture and natural resources, and the Department of Public Health & Environment.
- **Education** is chaired by Al Yates, former president of Colorado State University; and Elaine Gantz Berman, a former member of the Colorado State Board of Education. The team includes former state Sen. Mike Johnston, who ran against Polis in the primary and, like Polis, is a proponent of charter school education; Dan Ritchie, formerly chancellor of the University of Denver; Ami Baca Ohlert, president of the Colorado Education Association; Jen Walmer, who

heads Democrats for Education Reform in Colorado; former state Sen. Polly Baca; Michael Carrigan, a former member of the CU Board of Regents; former Denver Post chairman Dean Singleton; and former U.S. Rep. Schaffer, a proponent of taxpayer-funded vouchers for private education and the chairman of the board of the Leadership Program of the Rockies. The team is responsible for transitions at the Colorado Department of Higher Education and on education policy.

- **Public safety, military and corrections**, will be led by Sheriff Joe Pelle of Boulder Count along with Dr. Regina Brown of the CU School of Medicine. The team also includes Rosemary Lytle, president of the Colorado NAACP; and tech entrepreneur Taylor McLamore of Boulder. The team is responsible for the departments of public safety, corrections and military and veterans' affairs.

The transition website invites volunteers to assist on various subcommittees.

Agenda for new administration. Information regarding agenda priorities are gleaned daily from various interviews and other public statements by the Governor-elect. Likely proposals will bring changes to:

- Oil/gas siting. Both the Governor-elect and the newly-elected Speaker of the House KC Becker have expressed a desire to end the constant controversy over oil/gas drilling, particularly in residential neighborhoods. While Rep. Becker supported Proposition 112 (the 2500-foot set-back), Polis did not. He did, however, helped to fund a 2000 foot set back proposal in 2014 which was withdrawn following negotiation with Governor Hickenlooper. The new Governor has stated that he wants to provide surface owners and local governments more power in siting decisions It is unclear whether any resolution will be the result of legislation or an Executive Order, which Polis has indicated he may use frequently to achieve his agenda.
- Education. The Governor-elect has been a strong advocate of charter schools and made funding of full-day kindergarten a tenet of his campaign platform. While there is some Republican support for some of these aims, what remains to be seen is where the money will come from to provide them.
- Transportation. In one of his first interviews following the election, Polis suggested that one of the reasons the transportation initiatives failed is because they were pushed by business, hinting that future efforts might be successful. He did not support the sales tax proposal (Prop 110) but has vowed to explore what other options the legislature, business and voters might support to fund transportation improvements.
- Health care access. This was another major campaign promise – to lower the cost of health insurance, although no specific plans have been proposed. The Lt. Governor-elect, Dianne Primavera, has also been a champion of health care.
- Taxation. During his campaign, the Governor-elect spoke of fixing corporate loopholes without specifying reforms he planned. In a first interview following the election he spoke of reforming TABOR at the ballot box but committed to retaining the right of the electorate to approve tax increases. We expect that credits and exemptions might be under legislative attack through “tax policy changes” that could require a vote of the people under TABOR. Because credits and exemptions are applied to a variety of business and industry transactions, it remains to be seen if any change might come through negotiation with the affected parties or simply legislative action supported by the Governor. The Governor will lay out his agenda in more detail in his first “State of the State” in January.
- Gun laws. Polis supports banning “bump stocks”, tightening background checks, and passing a red flag bill to remove guns from the hands of persons who are mentally ill or deemed a danger to themselves or others. He will direct CDPHE to conduct research on the link between public health/safety and gun violence. He does support expanding shooting ranges for hunters and sportsmen and increasing access to hunting on public lands. Bringing back the 2018 “red flag”

legislation is a priority for many legislators who believe it can be passed with the Democrat majority in the Senate.

Legislators head to the Capitol. Legislators old and new arrived at the Capitol on November 8 to select leadership in both House and Senate for the 2019 legislative session. Most positions did not see competition, with leaders from previous session moving up the ladder.

Key Leadership posts filled on November 8 included the following.

Democrats (Majority party) having 41 of the 65 seats

Speaker – KC Becker (Boulder) previous Majority Leader

Majority Leader – Alec Garnett (Denver) previous Asst. Majority Leader

Asst. Majority Leader – Chris Kennedy (Lakewood)

Co-Whips – James Coleman (Denver) and Jeff Bridges (Greenwood Village)

Republicans (Minority party holding 24 of the 65 seats)

Patrick Neville (Castle Rock) previous minority leader

Asst. Minority Leader – Kevin Van Winkle (Highlands Ranch)

Whip – Perry Buck (Windsor)

Senate Democrats (holding 19 of the 35 seats)

President – Leroy Garcia (Pueblo) former Asst. Minority Leader

President Pro Tempore– Lois Court (Denver) formerly Caucus Chair

Majority Leader – Steven Fenberg (Boulder)

Asst. Majority Leader – Rhonda Fields (Aurora)

Whip – Kerry Donovan (Vail)

Senate Republicans (Holding 16 of the 35 seats)

Minority Leader – Chris Holbert (Parker) previous Majority Leader

Asst. Minority Leader – John Cooke (Greeley)

Whip – Ray Scott (Grand Junction) previous Asst. Majority Leader

Committee chairs will be appointed by the leadership in each caucus, with the number of seats allocated according to a formula based on the majority: minority split. Committee announcements are not expected until sometime in December.

New legislators began the first of a three-phase training session on November 9. They will return December 3 for the second phase.

In addition to the new faces resulting from the November 6 election, the Senate will see yet two more – Senators Matt Jones and John Kefalas were elected to serve as county commissioners in Boulder and Larimer counties, respectively. Vacancy committees must appoint someone to fill those Senate seats as soon as Jones and Kefalas resign. Likely competitors for Jones' Senate seat include Rep. Mike Foote who lost his race for district attorney and former lobbyist Anne Marie Jensen. In Larimer county, potential Senate appointees could come from the ranks of House members within the Senate district.

Legislative Committee schedules. The Joint Budget Committee (JBC) will see new members as well, with four of the current members leaving because of term limits or election to other offices. Newly appointed members who will sit in on the briefings which start November 15 are Representatives Rankin (House Republican) and Senators Moreno and Zenzinger (Senate Democrats) along with Senator-elect Dennis Hisey (Senate Republican). The remaining House Democrat appointments to the JBC have not yet been announced.

The JBC will hold its organizational meeting November 15 and on November 16 will hear Governor Hickenlooper present his final budget request to fund the Executive Branch agencies. That budget, amounting to \$33 billion (of which \$13.2 billion is General Fund), will see increases for education and human services, along with a requested increase in the General Fund Reserve account which must be approved by legislative bill. In addition to General Fund dollars generated by taxes, the budget is funded by federal dollars and cash funds generated by various fees.

JBC staff briefings concerning the various agency budgets include: CDPHE environmental divisions and the Dept. of Local Affairs on November 26; CDPHE Executive Director's office November 27; Department of Natural Resources OGCC/DRMS/Severance Tax Polity on November 28. Hearings for each agency with departmental management responding to questions include: Dept. of Local Affairs December 4, CDPHE December 6; Dept. of Natural Resources (DRMS/OGCC/Sev Tax Policy) December 7 and DNR water divisions on December 17.

SMART Act hearings, where department heads appear to discuss their progress in meeting various goals also begin in mid-December.

Agency Actions

The Air Quality Control Commission will meet November 15 for the hearing on new Regulation Number 20 incorporating specific provisions of the California low emission vehicle (LEV) standards for new light-duty and medium-duty motor vehicles sold in Colorado beginning in the 2022 model year. The Commission will also consider requiring aftermarket replacement catalytic converters to meet California standards. The Commission previously denied a motion to continue the rulemaking because it would extend past the deadline set by the Governor in his Executive Order directing the Commissions to adopt the rules. Colorado has the choice of following federal vehicle standards (which are being lowered) and California standards. The Governor's Executive Order directed the adoption of the California standards. At its December meeting the Commission will decide whether to move forward and set a hearing for a proposed Zero Emission Vehicle standards. The standard was proposed by advocates last January and has been subject to stakeholder discussions. Concern has been raised by vehicle manufactures that the mix of vehicles sold in Colorado does not lend itself to setting hard requirements for ZEV sales and could raise the price of all vehicles.

The Solid and Hazardous Waste Division, Radiation Control is moving forward with TENORM rule development. TENORM refers to technologically enhanced naturally occurring radioactive materials. Currently underway is a contractor study which will provide a report to the legislature prior to rule proposal. The rules, when adopted, will set forth criteria for what levels of radioactive material present in wastes require special landfill disposal. Among the wastes targeted for study are those from oil and gas drilling, water treatment and other wastes where human activity has enhanced any naturally occurring radioactive characteristics. The rule development, previously prohibited by statute, was authorized by legislation during 2018.

The **Department of Revenue** will hold a hearing November 30 on proposed changes to Enterprise Zone regulations. One proposal eliminates regulatory language acknowledging the statutory exemption from sales and use taxes on machinery and machine tools used in Enterprise Zones. The authorizing statute, however, remains in place (39-30-106 C.R.S.)

Another **Department of Revenue hearing** will be held December 3 to adopt as permanent rules changes to the Sales/Use tax requirements affecting retail sellers who do not have a physical presence in Colorado. This change is in response to the US Supreme Court decision in

South Dakota v. Wayfair, Inc., 585 U.S. ____ (2018). An additional proposal changes taxation based on the seller's location to taxation based on the point of delivery (the purchaser's location). This rule poses numerous problems for both sellers and purchasers due to the lack of detailed information on implementation. There is also significant question as to whether a TABOR election is required, particularly if the change imposes a new tax where one was not assessed or collected in the past. The department has indicated that it expects litigation over some of the changes.

The sales and use tax rules were adopted as by the director of the department of Revenue as Emergency Rules on September 11, 2018; the hearing on December 3 is to make the rules permanent.