



ASSOCIATED GOVERNMENTS
OF NORTHWEST COLORADO

MINUTES

AGNC BOARD OF DIRECTORS & MEMBER MEETING

November 20, 2019

New Castle Branch Library, 402 W. Main St., New Castle, CO 81647

9:00 am to 1:30 pm

Pledge of allegiance

Call to order – Ray Beck, Chairman, called the meeting to order at 9:00 am. Introductions were made.

Approval of Minutes – Mike Samson made a motion to approve the minutes; Chris Nichols seconded the motion, motion passed.

Financial report: Bonnie Petersen reviewed financials for October 2019. Revenues for the month are ahead of budget for the month due to revenues from registrations and sponsorships for the ED Summit as well as contribution projects. We continue to remain well ahead of budgeted revenues year to date. Expenses were slightly higher than budgeted for the month due to expenses associated with the ED Summit, however, they remain under budget year to date. Net income for October was significantly better than the projected budget for the month and continues to be ahead of the year to date budget. Andy Key moved to approve the financial report; Roger Granat seconded the motion, motion passed.

The AGNC Board meeting calendar for 2020 was presented; Chris Nichols made a motion to approve the calendar; Grady Hazelton seconded the motion, motion passed.

The Colorado General Assembly convenes on January 8, 2020. AGNC legislative calls will continue to be conducted on Thursdays at 8:30 am beginning January 16, 2020. A calendar invite will be sent to members as we get closer to that date.

Project and Committee Reports:

AAoA - Heather Jones reported on the SAPGA meeting in Craig where they had 20 agencies represented. Heather is doing on-site assessments with 18 plus contracts there are a minimal number of issues coming up as they are doing the audit. The State ombudsman is coming to do an audit tomorrow, they don't expect huge programmatic items be at issue. Heather is working to become certified to be the lead ombudsman; she hopes to have the certification by the beginning of year. Senior Law Day in Basalt had 147 people in attendance; the event was videoed and replayed in Rifle where they had 57 registered. Mesa county Law Day had 217 attendees plus vendors; it was the largest yet.

Dinosaur Welcome Center - Cheryl McDonald was unable to attend; Bonnie reviewed her report. Her full report can be found at the end of these minutes as Attachment A.

Legislative report – Richard and Ted Ord provided an update on legislative matters. Since Proposition CC failed, every bill will be heavily scrutinized for fiscal impact. Expect to see a lot of fee bills coming up. Tax bills going forward can be expected to have a sunset on them;

includes tax credits. EZ tax credit system report is due at state auditor January 2020 - could see bills in the next session. Will keep close eye on severance tax in light of the failure of CC to try to keep them from using severance tax for other budget shortfalls. We may see a study bill by the PUC to look at community choice agreements. Legislators are looking at alternative ways to fund LEAP programs if severance tax funding goes away. Anticipate that there will be efforts for funding for K-12. Expect we may see a restructuring of the PUC as standalone utility like California. An Oil & Gas moratorium push is going on. We will see another attempt at a family medical leave – they may try to do a reinsurance program or employer mandate - not sure how that will impact local governments. Orf and Orf have been contacted on a couple of issues - economic development bill is one - incubators jumped on the bandwagon they are working to help draw the line on qualifications. We may see a reopening of digital records matters. Digital retention of records specifically emails – there have been concerns about accessing emails – likely to see legislation to establish requirement for email retention. Andy asked about a bill to require electrification of entire homes. The team has been hearing that a bill may be introduced requiring that any new home construction must be all electrical - do not see any retrofit requirements. The idea is to bring natural gas out of construction. The Front Range is in serious non-attainment right now; all permits down to dry cleaners need to be review CDPHE. They will add 29 new FTEs. Ray reported on a visit the just transition board made to the Nucla/Naturita area. The just transition group is trying to hire a director for the committee; they are using staff at Dept. of Labor. Ted reported that lobby regulations have changed - anytime anyone talks and mentions bill number, it must go on the SOS websites. If we are talking about something must report it, if there is a bill number attached to it. The penalty is unknown if there is a failure to report.

EDA Update – Angela Martinez, Regional Director, EDA

Angela Martinez offered her congratulations to AGNC on the completion of the CEDS and the designation as an EDD by the EDA. She shared her personal background; she worked for EDA for 10 years in D.C. and with state and federal leaders. She began her tenure in the Denver region 3.5 years ago. She oversees 10 states in region. She shared information about colleagues and their responsibilities - Trent Thompson is the ED representative who has worked with AGNC. He will come to future meetings and will work with communities in the EDD. Trent will help identify the right match with EDA if applicable or he could direct a project to another agency as he works with us on applications. All grants are decided on a competitive basis, the Denver staff will make recommendations to Angie. EDA want to invest in certain types of projects - really dictated by community needs. They have the flexibility to fund studies, and infrastructure; they do have a program for coal communities. The region gets about \$3 million they can grant to coal communities. Stacey Webb will work closely with AGNC once we get into partnership phase of program. The EDA has a good relationship with DOLA and OEDIT - their funds can be used to match usually start at 50% based on need but the match can go up to 80%. Match amounts make projects more competitive in the analysis. The agency has been doing a lot of disaster work about half of the counties in the 10 states have declared disasters. Other funding may be more available as disaster funds will be funded out of disaster funding. EDA helped fund some of work in Nucla/Naturita. The EDA funded broadband in that area; they funded a kitchen incubator and some of the focus on tourism. People want to live where there are things to do. Mike Samson noted that it was a long endeavor to get the AGNC EDD formed and thanked Angela for inserting herself in the process and getting this done; he noted that he believes this will be a blessing for NW Colorado. He asked for examples of different successful projects EDA has funded; Angela suggested that people go to the website EDA.gov where they have annual reports with maps of the states which brings up projects. EDA is looking for job growth in communities. There is a funding mechanism that provides for distressed areas identified as

opportunity zones (OZ). That designation is made immediately eligible for funding – before we can attract businesses, we need infrastructure. OZ's are an investment priority. An OZ project will be weighed more heavily for projects. Angela provided examples of projects previously funded, i.e. aerospace training at Universities, cyber security training to help create jobs and businesses. She encourages the communities to work with the AGNC EDD to administer grants, etc. Metrics for the competition of projects include - OZ is one component, infrastructure is another - job creation - match - all make the case that a project is viable. Level of distress for community. Job criteria - help to be prepared for future - no certain wages needed - but look at community potential for growth, expansion, ability to thrive. More professional jobs. The next step for the AGNC EDD is to apply for a partnership planning grant to supplement what we are already doing; EDA is transitioning all districts to 3-year grants. AGNC was the 100th EDD designated in the region. Partnership planning funding has been flat for a number of years EDA hopes it will get a full this year so they can determine if there are dollars for funding the partnership program.

Federal Delegation Updates

Betsy Bair provided an update from Senator Gardner's office. It is anticipated that a Continuing Resolution will pass the Senate today - still cautiously optimistic it will pass today but it is only good till December 20. The Energy and Natural resources committee mark up of LWTC - passed out of committee. This bill permanently reauthorizes that funding comes from offshore drilling - about \$900 million per year - and will make funding permanent. SRS and PILT bill is in mark up today and the Senator is optimistic it will move forward today. Senator Gardner is supporting a formula change for very small counties like Hinsdale County, the change impacts about 36 counties in the country. The last bill to talk about is the 3-digit suicide Number - Mesa County has one of highest suicide rates in US - when someone is in crisis we are getting the word out on multiple 800 numbers - the 888 call would help get support for people in crisis more quickly. Would appreciate a letter of support. BLM update – the HQ move is moving forward; BLM has many jobs listed - all have closed – it takes time for hiring practices. Yesterday a lot of beltway Democrats were saying they were going to try to block appropriations, but the move has already been funded. This will see some movement by the end of this year. Secretary Bernhardt's advance team was here in September walking through security issues - took them up to CMU roof for view of valley - had no idea what the area was like.

CCI 2020 Legislative Priorities – John Swartout, CCI Executive Director reviewed the current legislative priorities for the organization as of November. They are looking at bills that Require that transmission lines for renewable energy be allowed on conservation easements. An opioid settlement that will require a county decide whether to opt in or not. Counties get first bite at apple - will see a lot of bills to try in increase treatments, etc. but not be an unfunded mandate. Wildfire legislation will require a mandate that counties adopt mandatory building codes - have committee formed to make recommendations on wildfire prevention. Prison population management do not want that to happen so that it increases population in county jails. Makes some sense but not if it just shifts to local jails without paying for it. Legislation from Tri-State worked with Ritter and stakeholder group - likely that will transition sooner than later to renewable energy. Company been meeting with local governments need to write off investment early. Told them they don't have plan to deal with tax base impacts - legislation last year focused on workers but it is not just workers. With the health study, we think we will see bills on air monitoring and health impacts. West slope conflicts are nothing like they are in front range. Open records legislation to not allow local government to encrypt records; and likely to see more legislation on e-cigarettes - bill last year allowed local governments to tax. Expect to see more emphasis of allowing more penetration of marijuana use - this is local government purview. The

FML act is coming back - last year CCI opposed the bill - many counties are providing better leave than mandated by the bill – the bill would require they use state program. Transportation is a permanent problem rather than folks learning from CC, we think we will see a full repeal of TABOR next time. There is concern about the front range working to coalesce metro areas to take the majority of federal funding. There is no appetite for dealing with Gallagher. Leadership says they are holding firm on the 5-bill limit - speaker insists that she will hold to it this year. CCI plays a lot of defense. - spoke to WY about sage grouse – the courts threw out the 2019 plan so are back to 2015 plan - think Bernhardt will take 2019 amendments do additional due diligence and NEPA to try to address issues the judge brought up - judge issues were in UT and ID not CO or WY. Remanded back to do additional work. With the loss of Bridgett and Brian being shipped to D.C. CCI told the Governor we will have to really push BLM on mapping. Have to work together to push BLM on O&G rulemaking, Robbins and Murphy have been very helpful worked with Weld to develop something that works for them hope that is happening in West Slope. CCI wants no legislation on short term rentals - do see that coming. Wolf reintroduction - told Bernhardt and Interior were going to delist the wolf. Right now, CPW has little authority on listed species - if still federally protected we don't have any power in the equation - FWS would have to approve re-introduction. Looks like wolf may not be de-listed. Governor has backed off his support for this - so has CPW - neutrality doesn't help much but better than supporting. FR voters don't know where food and water come from - think cute little wolves should be introduced. Working with group to control message and be balanced. Don't know it could happen if not delisted - doubt new federal administration would delist - feds have the control and they don't want it in Colorado - too much conflict and too much population. Business personal property tax on renewable energy bill – John made the case to the industry to not to make the Walmart mistake – if they really want to be part of communities.

Roger Granat from Palisade received a Veteran Parking Sign from Cheryl McDonald with a challenge to pass it on to create an ongoing effort to recognize veterans in Western Colorado. Palisade made several additional signs and posted them in the community. Roger passed a sign on to Grady Hazelton from New Castle issuing him the same challenge.

Ray Beck made an announcement that the Executive Committee wanted to provide some recognition for some individuals. He read the AGNC mission statement and took the opportunity to thank AGNC staff, Bonnie Petersen and Tiffany Pehl, the for their efforts to benefit the members of AGNC and help the region with the many issues that come up. Mike Samson and Andy Key also thanked staff for their efforts in adding an economic development focus to the organization. Flowers and a cake were presented to both – Tiffany and Bonnie were both very humbled by the recognition and thanked the Executive Committee, the Board and all the members for their support and the recognition.

Legislator Discussion Representative Perry Will, House District 57 provided an overview of his thoughts and concerns for the upcoming legislative session. His concerns are reflective of previous discussion during the meeting and he will do his best to protect the West Slope. He noted that Moose are very susceptible to wolves - impacts people are having on wildlife population is significant lions and bears have large impact on calves. He is concerned that the wolf initiative will pass - whether we like or dislike wolves - with the population of this state, he believes it is not appropriate for wolves. He stated that we should allow wolves to establish naturally. It would be a mistake to introduce them and he will remain opposed to introduction. Representative Will would like to figure out a way to fund CPW if we want to do something good for the group. He thinks we have met the threshold of hunting fees for out of state hunters. There are concerns about behavioral health issues; Colorado does not allow Medicaid to pay for

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mental health he is working on a bill that will allow for telemedicine payments through telesight that could help with behavioral health issues. He is working on bills regarding property transactions related to college issues; raffle licenses – an organization can't get one unless it has been a non-profit for 5 years; abandonment of irrigation ditches for safety matters; Land and Water Conservation fund - hopefully 10% not to exceed (want half to be available for hunting and fishing access, shooting ranges, maybe boat ramp) so funding is not just earmarked for trails.

Federal Delegation Updates

Brandon Bainer provided an update for Congressman Tipton's office. George is doing well and may be back to work soon. The Congressman voted against the continuing resolution; he supports complete budgets. Dianna DeGette's wilderness bill is being marked up in committee today the office has received letters opposing the bill. The Congressman will watch what is happening with the bill, but he is not on committee anymore. The impact is strong in western Colorado. The Congressman continues to do listening sessions on the Colorado Recreation Act, they have received good feedback from a number of constituents.

Administrative Update

Bonnie Petersen provided an Administrative Update on the following topics:

- ~ Hemp Symposium November 6, 2019, Craig Pavilion
- ~ED Summit Update
- ~November 1, NW Colorado Air & Space Coalition Meeting, Weiss Conference Room
- ~Coal Innovation Tour St. George first week in December.
- ~2020 Mini-grant application filed

New Business: *Next Meeting February 2020; location TBD in Rifle, CO*

Adjournment – Meeting adjourned at 1:42 pm.

Attendance:

Ray Beck, Moffat County
Grady Hazelton, Town of New Castle
Gary Moyer, Rio Blanco County
Andy Key, Town of Rangely
Chris Nichols, City of Craig
Keely Ellis, CNCC
Brandon Bainer, Congressman Tipton's Ofc.
Tiffany Pehl, AGNC
John Justman, Mesa County
Mike Samson, Garfield County
Kris Melnikoff, Town of Collbran
Makala Barton, Rio Blanco ED

Lisa Piering, Town of Rangely
Amy Provstgaard, Battlement Mesa
Jeff Comstock, Moffat County
Bonnie Petersen, AGNC
Ted Orf, Orf & Orf
Richard Orf, Orf & Orf
Betsy Bair, Senator Gardner's Office
Angela Martinez, EDA Regional Director
John Swartout, CCI Executive Director
Representative Perry Will, HD 57
Roger Granat, Town of Palisade
Heather Jones, AAoA

Attachment A

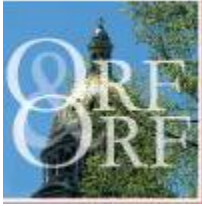
AGNC REPORT NOVEMBER 2019

Visitation for October was 2012 and for the calendar year Mach 1st thru October 31st is 26,013. We have had several inquiries on laws concerning the use of Drones. I have read some of the web sites. It's very confusing as different entities have different rules. I have instructed our volunteers to refer inquiries to their local areas of interest. Such as National Monuments, State Parks, or the internet for rules, requirements and registration as we have had no training in this matter.

We will have our annual Appreciation Banquet on December 10th in Rangely. The Center will close for the season on November 30th and reopen March 1st.

Cheryl McDonald

Attachment B



Associated Governments of Northwest Colorado (AGNC)

Legislative Update

November 20, 2019

Last week legislative leadership met to approve the following draft bills offered by Interim Committees for introduction in 2020. The legislative session convenes January 8, 2020.

The Tax Expenditure Evaluation Committee wrapped up its work on October 30, recommending five bills:

Bill A requires future legislation that creates a new tax expenditure or extends an expiring tax expenditure to include tax preference performance statement and a defined repeal date providing a rationale for the preference and metrics to measure the effectiveness of the expenditure. This may make it more difficult to provide incentives for new businesses in rural areas unless there is a clear statement of intent, and a way to measure effectiveness.

Bill B limits the state's current sales and use tax exemption for purchases of lodging for more than 30 days such that the exemption applies only to stays by natural persons. There was concern on the committee that "corporations" are using this exemption to provide tax-free housing for employees they transfer to Colorado, giving the benefit to companies rather than individuals (which they think was the original intent).

Bill C modifies the net operating loss deduction for C corporations. It limits the carryforward period for the deduction to 20 years and makes financial institutions subject to the same carry forward periods as other Corporations.

Bill D creates a Legislative Oversight Committee concerning Tax Policy and a Task Force Concerning Tax Policy. The Task Force is established to study the effectiveness of existing tax expenditures and potential changes to tax policy, while the oversight committee, comprising only legislators, is authorized to sponsor legislation.

Bill E requires that energy sources used for industrial and manufacturing purposes be metered in order to qualify for the existing sales and use tax exemption. The bill amends 39-26-102 (21) C.R.S. A wide range of businesses currently use this exemption and would need to install separate meters to demonstrate what portion of total energy usage qualifies for the exemption.

The Energy Legislation Review Committee held four meetings and conducted several trips, visiting Xcel Energy's Control Center in downtown Denver, on various wind and solar operations, as well as the Pawnee coal-fired power plant and an Extraction Oil/Gas operation. They heard testimony from county officials and interested parties in Fort Morgan and Grand Junction as well as at the Capitol. At its final meeting on November 4, the committee recommended three bills to be submitted to Legislative Council for approval and introduction in January.

Bill 3 require that battery storage equipment be valued similarly to renewable energy generation equipment (e.g. wind and solar). This would be a cost valuation, which would impact a county's property tax revenues.

Bill 4 requires standards for biodiesel blending from June to September. The bill was originally proposed year-round. Does this affect the performance of vehicles in areas prone to colder temperatures (high altitude); what will be the cost impacts?

Bill 5 allows transmission lines carrying renewable energy to be located on conservation easements so long as it does not conflict with the purpose of the easement (protect wildlife, etc.). These are assumed to be new or expanded lines.

Bill 1 (providing excess TABOR revenues be refunded through incentives for clean energy projects) and Bill 2 (establishing a state electricity transmission authority) were withdrawn.:

The Investor Owned Utility Committee was formed at the request of Senate President Leroy Garcia, who has long voiced concern over the electricity rates charged his constituents in Pueblo. Three bills were recommended by the committee Bill A directs the Public Utilities Commission (PUC) in the Department of Regulatory Agencies (DORA) to evaluate the viability of the wholesale opt-out model of community choice energy (CCE) in Colorado. CCE is defined as a mechanism that allows cities, counties, or groups of cities and counties, to combine their purchasing power and choose alternative electricity suppliers while the incumbent utility continues to own and operate the transmission and distribution system. The PUC is directed to study CCE through a third-party feasibility study and in a separate investigatory docket. Bill A carries a fiscal note of over \$800 million, to be covered from the Fixed Utility fund paid by investor owned utilities.

Bill B requires conditional annual transfers from the General Fund to both the Energy Outreach Colorado (EOC) Low-income Energy Assistance Fund and the Colorado Energy Office (CEO) Low-income Energy Assistance Fund. Beginning in FY 2020-21. The transfers take place if the amount of severance tax revenue transferred to either fund in a year falls below \$1.0 million. The amount transferred to either fund is 75 percent of the difference between \$1.0 million and the amount of severance tax received for the year. General Fund transfers are authorized for four years and are repealed on September 1, 2024.

Bill C directs the PUC to require utilities under its authority to report on the number of the utility's customers who receive the medical exemption from tiered electricity rates, and to describe the efforts the utilities have undertaken to enroll qualified individuals into the program on a periodic reporting basis beginning September 1, 2020. It also requires the PUC to open a proceeding to adopt standard practices for gas and electric utilities to use when disconnecting service due to nonpayment by September 1, 2020. The bill directs the PUC to open a non-adjudicatory proceeding to consider the merits of requiring utilities to report positive information about customer payment history to credit reporting agencies.

In addition to interim committee bills, several other bills are being drafted or are rumored, including:

- A bill requiring employers to offer paid medical and family leave benefits (details not yet worked out and no agreement with employer community) The 2019 version of a similar bill ultimately excluded local government employers.
- Requirement for new homes to be wired for complete electrification (ZEV, heating, cooling, appliances) to move away from natural gas.
- Moratorium on new oil/gas permits pending completion of SB 181 rulemaking
- Restructuring of the PUC, making it a stand-alone entity
- Sen. Coram has indicated his intent to once again sponsor economic development legislation

The Joint Budget Committee (JBC) is hearing briefings by staff on various departmental budget requests. The DOLA budget will be discussed by JBC staff on November 21 with a hearing on

December 4. The hearing will allow JBC members to direct questions to DOLA officials based on information provided in the briefing.

The following Enterprise Zone and Jump Start tax credits and exemptions are currently being evaluated by the State Auditor's Office to determine whether they are meeting their intended purpose, whether they should continue, be modified, or be repealed. The evaluation report is expected to be completed and issued in January 2020.

- Enterprise zone investment tax credit
- Enterprise zone manufacturing machinery credit
- Enterprise zone employee health insurance tax credit
- Enterprise zone research & experimental credit
- Enterprise zone vacant commercial building rehabilitation credit
- Enterprise zone qualified job training program investment tax credit
- Commercial vehicle enterprise zone investment tax credit
- Enterprise zone new business facility employee tax credit
- Enterprise zone agricultural processing employee tax credit
- Rural jump-start new business income tax credit
- Rural jump-start new hire income tax credit
- Rural jump-start business sales tax refund
- Enterprise zone renewable energy tax credit
- Excess oil shale depletion for C-corporations exemption
- Property exempt from ad valorem taxes

Regulatory Activities

The Air Quality Control Commission will hear division staff outline the steps underway to implement climate legislation passed in 2019. John Putnam of CDPHE, Zach Pierce of the Office of the Governor, and Will Toor of the Colorado Energy Office and the Division will brief the Commission regarding the development, scope, and timing of a Greenhouse Gas Roadmap to achieve Governor Polis' vision of swift adoption of renewable energy and emission reductions across the economy consistent with HB19-1261.

In addition, Curt Taipale of the Division will brief the Commission on the progress towards implementing SB19-096, which establishes requirements for the reporting of greenhouse gas emissions and more frequent updates to the statewide greenhouse gas inventory, including the need to reduce transportation-related emissions to meet ozone standards.