



ASSOCIATED GOVERNMENTS  
OF NORTHWEST COLORADO

MINUTES

**AGNC BOARD OF DIRECTORS & MEMBER MEETING**

**October 16, 2019**

*Fruita Community Center, 324 N. Coulson St., Fruita, CO*

**9:00 am to 1:30 pm**

Pledge of allegiance

**Call to order** – Ray Beck, Chairman, called the meeting to order at 9:03 am. Introductions were made; Lisa Piering will serve as alternate for Andy Key.

**Approval of Minutes** – Mike Samson moved to approve the minutes; Grady Hazelton seconded the motion; motion passed.

Senator Coram joined the AGNC meeting via conference call. He indicated that he expects to see bills in the next session including a water speculation bill and a rural economic development bill. Another bill the Senator will sponsor is related to school bus safety; the bill will put technology in the school bus with GPS, silent alarms, etc. – it will be a pilot program and will train school bus drivers. Officials have learned that there are people with licenses to drive buses that should not be driving. The Senator has some corporate donors lined up for that. He has been working with San Diego to look at their camera system to monitor fires and placing aircraft into use at first signs of fire. A bill related to the drought management plan will bring one CWCB meeting back into every basin and require general assembly approval for plans and projects. The state needs to come up with funding for water projects; we can't depend on natural resources to fund everything we need.

**Financial report:** Bonnie Petersen reviewed financials for September 2019. Revenues for the month are slightly ahead of budget for the month, we continue to remain ahead of budgeted revenues year to date. Expenses were under budget for the month and remain under budget year to date. Net income for September was better than the projected budget for the month and continues to be ahead of the year to date budget. Mike Samson moved to approve the financial report; Lisa Piering seconded the motion, motion passed.

The proposed 2020 was reviewed and staff noted that per instructions from the AGNC auditor, we will include a revenue and expense line item for Dinosaur Welcome Center, AAoA, DOLA grants as well as any other grant AGNC may be awarded including the EDA grant for the coal to products study. The budget reflects an increase in compensation for the Program Administrator as well as an increase for the government affairs team. The budget reflects negative net income for 2020 in the amount of \$33,716.00 – every budget in the last five years has projected a negative net income and every one of those years the actual net income has been positive. Staff will work to make that the case for 2020 as well. Chris Nichols moved to approve the budget as presented, Lisa Piering seconded the motion; motion passed.

A proposed schedule of Board meetings for 2020 was presented for review. Members were asked to review the schedule prior to the November board meeting and let staff know if there are any meeting conflicts that need to be considered. Mike Samson noted that the April meeting will conflict with the Garfield County Energy and Environment Symposium so that AGNC meeting

date will be changed to April 22, 2019. The schedule will be brought before the board at the November meeting for approval.

### **Project and Committee Reports:**

Area Agency on Aging – Heather Jones was unable to attend the meeting but shared the following highlights regarding AAoA events and work:

- \* A reminder that the Strategic Action Planning Group on Aging (SAPGA) will be in Craig on October 24th from 9:30am-11:30am at CNCC.
- \* I started my program on-site audits last week. I will be completing on-sites this month and next month.
- \* Yesterday we started reviewing SFY2020 State Unit on Aging contracts with the AAAs. We will have several months for negotiations.
- \* In November, I will be working with my software company to look at implementing the grant application online.

Dinosaur Welcome Center – Cheryl McDonald (Cheryl's full written report can be found as Attachment A at the end of these minutes.) Cheryl attended the Governor's conference and participated in trainings on international and Ag tourism. DWC visitation is still 2% above last year although it is down slightly for the month. Cheryl has now been Certified as a Colorado Concierge and welcome center managers are training volunteers to provide additional information about Colorado.

Legislative Update – (The full written report can be found as Attachment B at the end of these minutes.) Interim committees are wrapping up their work and will vote on draft bills they have discussed to determine which will be advanced by the committees in the next session. One of the committees did a 5-year rolling review on tax credits and exemptions; they will look at EZ credits and will determine if any should be removed or changed. The Orfs will be at the October 30th meeting when EZ credits are to be discussed. The committee members have recommended repealing some exemptions that have not been used in the past. The Energy Legislative Review Committee is still looking at electricity generation, transmission and renewable energy. A bill to provide new TABOR refund mechanism is being considered; it will provide tax credits for installation of renewable equipment, electric vehicle charging stations, etc. These credits would happen after other refund provisions have been covered. There are some new provisions being considered for grants administered by OEDIT for advanced industries; if the grant is for a natural resource, the applicant must prioritize renewable energy. The investor owned utility committee - would take severance tax funds for the LEAP program, but if severance drops below \$1 million, their bill will then take general fund money for LEAP. Expect to see something on ad valorem tax credits; need people involved in tax assessment area to discuss potential changes with. There is a draft bill that makes it clear if there is a conservation easement, companies cannot put transmission lines through the easement, but the bill will allow transmission lines, particularly if they are for renewable energy. Just transition committee is coming together, Commissioner Beck is on it. At this time, cannot get anybody to share information. Ray - advisory council to be created - they are putting council together - Ray will be on it - 22 members. First meeting scheduled October 22 at department of labor. First meeting will be to develop committee structure and set up. Ray met with Yampa Valley electric, and Moffat County land use board – each provided direction. Advisory council will have a year to develop recommendations. Water resources review committee will require meetings around state for demand management system.

**Colorado Space Port** – Dave Ruppel, Space Port Manager provided an overview of the Colorado Air and Space Port. It is the 11th commercial spaceport in the country there are 12. It is one of

seven dual use and one of nine horizontal launch space ports. It is in a unique location in Colorado as it is in the middle of the country. Nine of the prime aerospace companies have a presence in Colorado. The state is the 3rd highest recipient of NASA prime contracts and there is substantial support for industry. Space tourism provides insights to various things, Virgin Galactic has sold 600 tickets. Transportation companies are looking at Point to Point travel which can significantly reduce travel time; right now, it is 12 hours to get to Tokyo, point to point travel could reduce that to 1.5 hours. There is a lot of interest in that from businesses. Horizontal launch provides easy access and launch experiments in low earth gravity are much less expensive. Can launch small satellites to orbit from the space port. Space pilot training can't be done here but there is legislation in the works to allow. Thousands of small satellites the size of shoe box are being put in space by companies. There is also a lot of interest in microgravity research – "Made in Space." Automated systems have been put in space to make fiber optic cable; under space conditions, the fiber has perfect crystalline structure which improves the amount of data it can carry. Many items, medicines, metallurgy, etc. may be better made in space due to the crystalline nature. The space port has 7000 acres of business park development going into the south; it will be a rail served business park. A 700 acre rail spur to provide multi modal rail and air to space access. The space port won't have residential encroachment and zoning should keep it safe. Two existing runways 8000 feet have a tower to provide cut out for busy class B airspace. If needed, the space port can grow the runways up to 10,000 and 12,000 feet. Provides for space flight capabilities; FAA breaks vehicles into 3 types of motors - XY Z – companies are doing hybrid motors now. The FAA helped to identify a flight area for spacecraft 50 miles wide by 150 miles long. Denver did not want to close more than two departure corridors. The actual space phase is really only about 15 minutes long, a relatively small amount of time. Reaction engines is a UK company and it's U.S. affiliate has offices in Denver; their test facility is on the space port. It's a one of a kind facility that uses old after burner jet engines to test heat exchanger technology being developed. They have successfully tested to Mach 4.3 - trying to get to Mach 5. Will have application to other uses that provide a lot of heat. Looking to expand testing at space port. PD Aerospace from Japan - signed letter of intent to do some operations at the spaceport working on lining out when they will be testing at the spaceport; they have basics in. This is a place for basic operations but will need to improve runway lengths and capabilities. The site will need a better terminal facility and will need some fuel storage capabilities. Those will be coming over the next 5 to 10 years. Opportunities for CNCC to provide a program to work in this industry? Think number of connections - CSBR focus is to try to help make connections. Aren't many schools that have programs in spaceport management or operations. A lot of technologies done in colleges now - advance welding, fabrication, 3D printing that have applications in the industry and there is a need for more of that type of training. We have shortage of people that can build things. Reaction building facility there are crossovers we may not connect - knowledge of how to weld for high temps - good crossover - need for coding and IT applications. Can we serve as resource for mechanical - where do we find airspace for these operations for a \$380 billion dollar industry each year. NW Colorado space coalition/coal to product effort. Solar powered training aircraft at Centennial - a lot of applications use electricity. The Spaceport is a department of Adams County and they provide funding -the space port is supposed to produce its own revenue working toward being self-sufficient. User fees will help fund the port along with fuel sales, leases, etc. but they will still receive some support from county. Fuel for spacecraft - as more spacecraft use RP1 fuel engine - several others using hydrogen - still will continue to see RP1 fuel used - will be able to raise awareness. Colorado aerospace is #1 per capita in aerospace; #2 for industry. There is a shortage of pilots, and a shortage of aircraft maintenance people – there is a lot of opportunity beyond the front range.

**Legislator Discussion** – Senator Ray Scott, Senate District 7 provided his overview of state issues. He noted that the state is facing significant funding issues – looking at funding from a 30,000-foot view, the concern is that the legislature spent too much in the last session. The revenue was not there to support all the programs implemented. As an example, \$185 million was allocated for one year of all-day kindergarten but the state does not have funding for future years. The legislature doesn't know how the program will be funded next year. The Senator has been working in the off session on funding for CDOT. He was able to preview the CDOT project list for next year and was please to see that we will be getting some dollars to Western Colorado. The billion-dollar backlog seemed to paralyze efforts recognizing it as a long-term requirement. Colorado is often compared to road funding in Utah, but that state gave up K-12 and Medicaid resources to fund roads. Next year's project list provides substantially higher funding for western Colorado than in past. Highway 139 is on the list with \$30 or 40 million in budget. Highway 50 south wasn't even on CDOT's radar till 2050 or so but will receive some funding this year if the list is approved. The Senator said he worked with Kathy Hall, Region 5 CDOT Commissioner, and hopes to keep project list intact. CDOT Director, Shoshanna Lew will not be accepting \$250 million dollar change orders, which is a positive step for CDOT. If something that large needs to be changed, then there must be a new project and CDOT will get a new bid. Currently, CDOT keeps 20% of grant amounts for management for local projects; there will be a close look at that policy. Some local groups don't have staffing but those that do don't need to pay 20%. The state has had an MOU with BLM regarding energy development; it expired June 30, 2019, although a 6-month extension was made, that will result in an expiration date of 12-31-19. The Senator is not sure where that is going to go; so far, the MOU written was status quo - what you agreed to in 2009 cannot be changed today, there is uncertainty how this will work with the provisions of SB181. We don't want feds to take anything away and he noted that they will not allow the state to crush \$30 billion in revenue. He has talked with David Bernhardt and industry about the provisions of the MOU which was cancelled. The White House is discussing the issue now. We still need projects like Jordan Cove; technology can now allow the construction of zero emission natural gas plants. Technology is driving the energy industry; a \$20 billion dollar pipeline from Canada to Valdez is being planned as Canada is not sure we can get keystone done. Looking at traditional energy resources, there is 1,500 years of coal on north slope in Canada and Alaska has a massive resource in oil. Asia wants our natural gas - but politics are holding things up. The Senator noted that he had a good dialogue with CU Boulder on climate change. There are 32 climate models from 32 countries and those models have to stay consistent or they lose funding. We have to start working harder on STEM work and getting into the classroom so other thoughts and ideas are presented to the next generations. Next year, the legislature is bracing for impact, the budget is a huge issue and budget cuts are likely to impact what we value most. It is unknow what will happen with severance tax if CC passes; by removing the funding cap, it is likely the legislature will come after severance tax. The next battle line will be at counties and cities; Senator Scott indicated that he thinks we will see a number of bills that impact local governments.

**Consideration of Resolution 19-2 regarding Proposition DD.** At the September AGNC board meeting, the board voted to support Proposition DD. Doug Monger requested that AGNC draft a resolution supporting the measure for consideration at the October board meeting. The resolution was drafted and sent to the board as requested. Mike Samson noted that the Garfield BOCC has not taken a position on Proposition DD. The Rio Blanco BOCC passed a resolution in support of DD with serious reservations. Rio Blanco County needs to proceed with the Wolf Creek reservoir needed in county and felt the need to support it but had concerns. Commissioners are concerned about a lack of guidance for expenditures of the money. Commissioner Moyer indicated he was not sure that AGNC should support the initiative. It was

noted that legislators on the water committee had concerns about the funding going to the water conservation board without any guidance - a bill is being recommended in the next session that the legislature have oversight on projects funded each year. While the need to do something to build more reservoirs is recognized, Proposition DD may not be the best vehicle. Ray noted that CLUB20 took a neutral position on issue. He noted that Moffat County and CLUB20 were split pretty evenly on the issue and that both boards were split 50/50; Craig did not take a position one way or the other. Lack of structure concerns is the greatest drawback. The Town of Rangely felt like they needed to support DD because of the water project in the region. Mike Samson moved that AGNC rescind the motion supporting Proposition DD from previous meeting; Lisa Piering seconded the motion; motion passed. It was noted that it would be better for AGNC to stay neutral due to the division among the membership. Mike Samson made a motion that AGNC remain neutral on Proposition DD; Grady Hazelton seconded the motion; motion passed.

**Western Colo. Community College** – Derek Wagner, Colorado Mesa University CMU requested AGNC support for an effort CMU is working on. CMU manages a community college; it is small based on state standards and serves about 2,000 students each year. The community college is not funded like a standard community college because it is not a stand-alone community college which means tuition rates have to be higher than those at other community colleges throughout the state. CMU is making a request that the state fund it as a community college which would add about \$1.6 million to the WCCC budget. If WCCC can get funding, it will take tuition levels down to the average of state community college rates. This would allow WCCC to enhance technical programs at the college. There are two community colleges in Colorado - CMU and Adams State – that are not stand-alone facilities which changes the way they are funded. WCCC is asking to be recognized like other community colleges in Colorado and a conversation has been started with Senator Rankin and Representative Perry Will who are looking for a way to get this conversation opened earlier in the legislative session. AGNC members were concerned that making this change could have an impact on other colleges in system and that it could reduce funding for them. It was suggested that members should take some time to talk to others and consider this request at the next AGNC meeting. Members would like to talk to know where the potential funding would come from and if it would take funds from others in the CCCS funding structure.

### **Federal Delegation Updates**

Michael Melnick with Congressman Tipton's office reported that George Rossman fell Friday night and broke her leg otherwise she would have attended this meeting. He noted there is a lot going on with Syria and Ukraine, while Congressman Tipton is not on those committees, he supports sanctions recommended for Turkey. The Congressman is supportive of Colorado's reinsurance effort; 21 counties in Colorado have only one medical insurance provider. It is hoped that the reduction in premiums will encourage competition in rural areas. The Congressman remains supportive of the BLM move to Grand Junction.

Alyssa Logan with Senator Bennet's office noted that the Senator is putting out a call for stories of veteran's and families; they are looking for rewarding experiences, family, etc. The VA put out new data showing an increase in veteran suicide rates. The Senator is calling for additional proactive data collection and is supporting the enhancement of security preparedness by providing resources to states to address cybersecurity vulnerabilities. The Safe Banking Act will allow the marijuana industry to use banking services; disallowing banking for this industry is a security issue. The Senator is supporting the truth in buffalo labeling act to make clear there is a difference between water buffalo and US buffalo. He also did a reauthorization for PILT; the

new one is ten years. The White House reinitiated the call for a US space command at the end of August and the White House said the space command is going forward. Mike Samson asked Alyssa to extend AGNC's thanks for his continued support of Jordan Cove the organization and counties appreciate his advocacy. Senator Bennet is the only elected democrat in support of Jordan Cove.

**Administrative Update - Bonnie Petersen** provided an Administrative Update on the following:

~ *Hemp Symposium November 6, 2019, Craig Pavilion.* AGNC, the CSU extension office in Craig and the Craig Chamber are hosting a hemp symposium in Craig on November 6, 2019, registration is open, and all were encouraged to share the information with those that may have an interest in attending.

~ *ED Summit Update* – the 5<sup>th</sup> annual ED Summit was well attended, and feedback was very positive. About 80 people registered for the event.

~ *November 1, NW Colorado Air & Space Coalition Meeting,* Weiss Conference Room. AGNC along with CNCC and local governments in NW Colorado have created the NW Colorado Air & Space coalition. Having Dave Ruppel at this board meeting was one of the first objectives of the group. The coalition will meet November 1<sup>st</sup> at CNCC in Rangely to discuss goals and objectives as well as coalition structure. The group plans to tour the space port and will seek connections with businesses working in aerospace across the state.

~ *Coal Innovation Tour St. George first week in December.* AGNC members are invited to tour the Innovation Center created in conjunction with Dixie State University in St. George, Utah on December 2, 2019. Final details are being worked out and will be shared when finalized. This is a part of the effort related to the coal to products feasibility study.

~ *The 2020 Mini-grant application* was submitted to DOLA by the October deadline.

**Next Meeting: November 20, 2019, New Castle Branch Library, 402 W. Main St., New Castle, CO 81647**

**Adjournment – Meeting adjourned at 1:21 pm.**

**Attendance:**

Ray Beck, Moffat County  
Grady Hazelton, Town of New Castle  
Gary Moyer, Rio Blanco County  
Cheryl McDonald, DWC  
Chris Nichols, City of Craig  
Ray Scott, Senate District 7  
Michael Melnick, Congressman Tipton's Ofc.  
Tiffany Pehl, AGNC  
John Justman, Mesa County  
Mike Samson, Garfield County  
Kris Melnikoff, Town of Collbran  
Brandon Melnikoff, Collbran  
Dave Ruppel, CO Air & Space Port  
Shannon Vassen, Town of Fruita  
Scott McInnis, Mesa County  
Kurt Anderson, Spartan Drill Tools

Lisa Piering, Town of Rangely  
Amy Provstgaard, Battlement Mesa  
Jeff Comstock, Moffat County  
Konnie Bilgren, Rangely Chamber  
Keith Peterson, CNCC  
Keely Ellis, CNCC  
Meghan Davis, CNCC  
Bonnie Petersen, AGNC  
Ted Orf, Orf & Orf  
Diana Orf, Orf & Orf  
Kraig Andrews, Grand Junction  
Eric Carlson, WSCOGA  
Makala Barton, Rio Blanco ED  
Alyssa Logan, Senator Bennet's Office  
Robin Brown, GJ Economic Partnership

## ATTACHMENT A

### AGNC REPORT October 2019

Attended the Governor's conference in Denver. Went to workshops on International and Agricultural Tourism. Received many complements on our center and volunteers from staff members that had visited our center.

The State office has started a new training program for Welcome Center managers on being a Colorado Concierge. I have completed the training and taken the test. On completion of this I have been certified as a Colorado Concierge. The next phase of this program is to have all volunteers complete the training.

Visitation for September was 3,762. Yearly total March thru September is 24,001 up 2% from last year.

Cheryl McDonald

## ATTACHMENT B



### Associated Governments of Northwest Colorado Legislative Report October 16, 2019

Legislative Interim committees are wrapping up their work. Bills have been drafted but have not been voted on. We assume that most will be recommended for introduction in January. The various committee requests include the following:

#### Energy Legislation Review Committee

- Bill authorizing excess revenue (over the TABOR cap) to be refunded by an income tax credit for equal to 50% of the amount a taxpayer paid to install any of the following items on the taxpayer's property in the state during the taxable year:
  - Equipment to derive energy from a renewable energy resource;
  - An energy efficiency improvement;
  - An energy storage system;
  - An electric vehicle charging system;
  - Building electrification technology; or
  - Any associated equipment that is necessary to connect, fortify, control, or monitor any of the installations.

The maximum amount of the credit is equal to the taxes due on the taxpayer's income for the taxable year.

The bill also delays the income tax rate reduction TABOR refund method so that it only occurs after the credit, if at all. A third provision of the bill 3 requires the Office of Economic Development, with respect to grant applications received from energy and natural resources companies, to give preference to applications for companies or projects that involve renewable energy resources and are located in rural areas of the state.

- Bill creating the Colorado Electric Transmission Authority which would be authorized to undertake activities related to financing or planning, acquiring, maintaining, and operating eligible facilities, including the power to: Issue revenue bonds; identify and establish intrastate electric transmission corridors; coordinate with other entities to establish interstate electric transmission corridors; exercise the power of eminent domain to acquire eligible facilities; and collect payments of reasonable rates, fees, interest, or other charges from persons using eligible facilities.



- Bill requiring that for property tax purposes, battery storage property be valued similarly to renewable electricity generation and transmission equipment.
- Bill requiring that diesel fuel sold or offered for sale in the state on and after January 1, 2021 include a blend of at least 5% of biodiesel. The requirement increases to 10% in 2023.
- Bill allowing land subject to a conservation easement to include transmission lines to transmit primarily renewable electricity. (Transmission lines are currently not allowed on conservation easements).

#### Investor-Owned Utility Committee

- Bill directing the PUC to oversee a third-party study of the technical and financial feasibility of allowing Community Choice Energy (sometimes referred to as Community Choice Agreements) which allows local governments to select their own preferred generation source of electricity. The utility currently supplying transmission and distribution would continue to do so. The study would be conducted through the opening of an investigatory docket at the PUC by Sept. 1, 2020 with conclusions reported to the legislature by November 30, 2020. The Committee hearing this proposal heard numerous problems that could arise under such a plan but agreed that it should be studied further. The fiscal note indicated a cost of approximately \$800,000, which would come from the Fixed Utility Fund (paid by investor owned utilities).
- Bill to transfer money from the General Fund to Energy Outreach Colorado during a year when the money from severance tax to EOC falls below \$1 million that year. The money would be used for energy efficiency projects such as weatherization in homes owned or occupied by income-qualified individuals.
- Bill directing the PUC to require regulated utilities to submit information concerning number of utility customers who are exempted from tiered rates due to a medical condition or the use of medical equipment requiring higher amounts of electricity than other customers, and the efforts the public utilities are taking to ensure that customers entitled to the exemption are able to do so. It also requires information on disconnections and delinquencies. The bill directs the PUC to open a rulemaking on standard practices for disconnections due to nonpayment.

#### Tax Expenditures Evaluation Committee

- Recommended repealing a number of exemptions and credits, most of which are seldom used (cost of administration exceeding value of credits). Drafts of the bills are not yet available. At its October 30 meeting the Committee will be discussing Enterprise Zone credits and exemptions.
- There will be a draft recommending formation of a state Tax Commission to continue review of credits and exemptions and other tax matters.

#### Water Resources Review Committee

- Bill requiring legislative approval of expenditures from the Water Plan Cash Fund, established under Proposition DD, if Proposition DD is passed by the voters to allow sports betting and directing money from the tax to the Water Plan Cash Fund.
- Bill requiring public input on water demand management program, similar to process used for the State Water Plan.
- Bill requiring the executive director of the department of natural resources to convene a work group to explore ways to strengthen current anti-speculation law and to report to the water resources review committee by August 15, 2021, regarding any recommended changes.
- Bill to increase the number of water well inspectors in Colorado. (There are currently only two). The bill requires the board, on or before November 1, 2020, to promulgate rules for identifying high-risk water wells that should be prioritized for inspection. Thereafter, the state engineer shall use the rules to identify high-risk water wells and shall prioritize the inspection of high-risk water wells. Funding could come from Proposition DD if it is passed in November.

The Air Quality Control Commission had scheduled a Joint Meeting with the OGCC on October 17 to discuss GHG reduction measures. That meeting has been postponed until a future date. On November 21 at its regular meeting, the Division will provide the Commission an informational briefing on the progress towards implementing SB19-096, which establishes requirements for the reporting of Greenhouse Gas (GHG) emissions and more frequent updates to the statewide GHG inventory.

In February, the Division will request that the Commission set a hearing set a rulemaking hearing to consider establishing a new Regulation Number 22 regarding greenhouse gas emissions reporting and monitoring in response to SB19-096. Additional proposals are anticipated over time.