



ASSOCIATED GOVERNMENTS
OF NORTHWEST COLORADO

MINUTES

AGNC BOARD OF DIRECTORS & MEMBER MEETING

July 17, 2019

Grand River Health

501 Airport Road, Rifle, CO 81650

9:00 am to 1:30 pm

Pledge of allegiance

Call to order – Ray Beck, Chairman:

The meeting was called to order at 9:06 am.

Approval of Minutes – Roger Granat moved to approve the minutes; Andy Key seconded the motion; motion passed.

Financial report:

2018 Audit Report – Paul Miller provided an overview of the 2018 audit. He noted that he did not find anything to cause him to think that the financial statements were unreliable; he did conduct a single audit. He reviewed information about internal controls and the process for a single audit. He noted that there are two major things the board needs to pay attention to in the management discussion analysis and budget to actual which drives management decisions. If the organization goes over budget, we need to know why; if we understand why then we can use that knowledge for planning. He reviewed the statement of financial position. The AAoA funds drives the need for a single audit; footnotes talk about how transactions are handled, budget, handling of risk, capital asset and infrastructure as well as how depreciation is handled. The meat of audit is the budget to actual. The organization has been doing accounting where we have used a “due to”, “due from” process and it has been confusing. The State sent a letter regarding the 2017 year stating that we went over budget which was because of the AAoA and sage grouse funds and the “due to/from” process. Paul recommended that AGNC start doing accounting differently and the organization have a set of account funds to provide detail regarding these funds within the accounting records. He recommends changing that process in 2019. We may have to go back and amend 2018 budget and amend the budget for 2019 to account for these funds. As AGNC does not have staff enough to have separation of duties, the board is relied on more to review financial statements. Gary Moyer made a motion to accept the 2018 audit report and to direct staff to amend 2018 and 2019 budgets if necessary and recommended by Paul Miller; Roger Granat seconded the motion. Motion passed.

Bonnie Petersen reviewed financials for June 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 June was better than the projected budget for the month and continues to be ahead of the year to date budget. Chris Nichols made a motion to approve the June financials; Andy Key seconded the motion. Motion passed.

By-law Modification – Bonnie Petersen provided an overview of the proposed By-law modification that would establish the AGNC Board of Directors as the AGNC-EDD Board of Directors once the EDD designation is made. Mike Samson made a motion to accept the proposed by-law modification; Roger Granat seconded the motion. Motion passed.

Project and Committee Reports:

Area Agency on Aging – Heather Jones – AAOA purchased the new administration software, it is going live and it will allow for the attachment of expense justification which should make monitoring easier going forward. At the end of July or early August will be asking for justification for expenses; Heather has been working with the accountant to gather information. Heather submitted a plan of correction to state in response to the review, it was accepted. She will be following up with providers regarding nutrition compliance comments and will update the state. Heather will be in the Craig area to do some training on transitions for seniors. The Older Americans Act is to expire this year, AAOA will be watching what the legislature does with the act; half of AAOA funding comes from that act. Heather reviewed the AAOA schedule for rest of summer and noted that there is a need to update the assessment tool; she would like it to be online in the future.

Dinosaur Welcome Center – Cheryl McDonald (Cheryl's full written report can be found as Attachment A at the end of these minutes.) Cheryl noted that visitation numbers were very good in June but with high water levels they are seeing about 300 rafters a week. Bicycle group tours visit and have lunch in the open area at the center; the area can accommodate about 72. The Veteran's sign has made an impact, Cheryl challenged other centers to put one in, but they haven't done it. Cheryl challenged AGNC members to start placing veteran's signs at their buildings, she believes a community can say a lot with a little sign. Konnie said she will do one at the Rangely Chamber; Cheryl said she would pay for it hoping to start a trend. Members indicated they would add Rangely and Craig. The veterans are very thankful, and it has blossomed more than expected. The center back room is totally reorganized for the new regions now. DWC staff and volunteers have been busy meeting and greeting, so much so they haven't had a staff meeting. Moffat County requested that the town of Dinosaur help with funding for DWC and they will consider it. Commissioners are talking through the proposed charging station installation at DWC and will meet with the sponsor on the 23rd. Center closure would not impact charging station - proponents said it is a good fit at the center.

Legislative Update – (The full written report can be found as Attachment B at the end of these minutes.) Diana Orf noted that things have been relatively quiet the last couple weeks. The tax committee will meet next week to look at tax exemptions and credits; at the October meeting, they will review EZ tax credits. The Energy legislation review committee will meet next month on the 29th and will hold a meeting Sept. 13 in Grand Junction there is no agenda set yet. This committee will probably recommend draft bills for next year. The family and medical leave task force held its first meeting yesterday; they are finding an actuary to do report on the provisions they would like to include in that measure. After 4 or 5 years that program could be in excess of \$1 billion; they removed the local government requirements, but employees could still participate. In other states, usage rates are higher than expected. Climate related activities are ongoing, the AQCC meets tomorrow and will review 4 climate bills passed in the session. Richard was at planning retreat and learned they are hiring 7 people to make up a climate unit; 5 technical and 2 local government liaisons. CDPHE has begun meeting with various generators of TENORM wastes to better understand the processes in preparation for developing proposed regulations for disposal. On July 16 drinking water treatment providers responded to questions regarding various treatment technologies that could generate low level radioactive wastes and the types of exposure that could result from handling or transporting of those wastes for disposal. The next meeting on August 5 will discuss Water Discharge Treatment. Future meetings will discuss oil/gas waste and setting limits for landfill disposal. We need to be concerned about severance tax sweeps given the regulations and additional staffing being added. Ted noted that the Governor announced that ACA rates would go down 18.2% as a result of the reinsurance bill. The reductions should be more heavily balanced in our area; projections for Western Colorado would be more significant but all of Colorado will see a reduction.

EDA/EDD Update – Trent Thompson, EDA Economic Development Representative for Colorado and Utah. Trent provided an update on the status of the AGNC EDD; the CEDS is submitted, the next step is to receive a planning partnership grant which will be provided every year as long as the partnership is kept intact. The issue right now is getting funding for new EDD's throughout the US; it shouldn't stop any partnership in place. Trent asked for AGNC to bear with the EDA as they work through the funding issue. Trent noted that EDA is excited to have AGNC join other areas as an EDD, it is just a matter of making it official. Travel budgets were recently cut as the federal government nears the end of the fiscal year but after the end of September Trent will make sure AGNC is visited. He noted that it will still be some time before the EDD designation is approved. The region is already working with EDA, however, Rio Blanco recently did an outdoor recreation project and just this week AGNC, partnering with an EDD in Utah submitted a proposal for assistance with coal community funding to do a project looking at how can we diversify economies within coal communities in Colorado and Utah. These are two examples of things EDA is working on with NW Colorado communities; if communities have any other ideas, let Trent know. EDA is looking at providing ways to support Economic Development that will allow a project within an opportunity zone (OZ) to apply for funding regardless of its qualification for EDA. EDA has been supportive of OZ projects including infrastructure which can be broadband, roads, etc. Exporting is another area of support. Examples of support: an old meat processing plant in Pueblo is a sturdy structure so an investor decided to rebuild it to include an event center, retail, etc. The community wanted a maker space, incubator which is not as lucrative for a private investor. The community won a grant for a business incubator within the development which is in an OZ. Another example - businesses want to come into OZ but infrastructure is not there, EDA can also help with that. In general, EDA can partner with planning or technical assistance through feasibility study or analysis which is very focused to ED efforts in community. Due diligence project to move on to operational project. Workforce development project, EDA partners with universities and community colleges all the time - need to demonstrate there is a need in the community – that higher income positions can be developed; retail-based projects are not likely to be supported. Soft items for space, utilities, staff to operate or the purchase of light equipment are things EDA may be able to help fund. If a project moves into construction, it has to be on public land and public facilities; water, sewer, road, broadband, EDA can support infrastructure projects, but it must have a beneficiary; the community must a business say they will commit to creating jobs. EDA will be hosting a conference Aug. 26 through Aug. 29 in Denver; it is a great networking opportunity with other states in region.

Future of Coal – Chris Nichols, Sr. Analyst, National Energy Technology Laboratory (NETL) - US Department of Energy. US DOE operates system of laboratories across country and generates new technologies to make the country more competitive through innovative use of fossil fuels. Coal exports from the US are used for two main purposes; about 50/50 for metallurgical steel and steam for power generation. Electricity generation from coal will drop to about a quarter by 2050; natural gas will provide about 50% of electricity; nuclear power generation is steady although some plants will retire; renewables may surpass coal and minimal amounts from petroleum. 325 Gigawatts of electricity from coal will be at 50 gigawatts in the 5 to 10 years. 45Q tax credit for carbon capture and sequestration could make new coal fired power plants more lucrative for future generation. Coal has strongly bonded hexagonal structures which, when separated, becomes graphite. Graphite has many useful properties – it is a good lubricant, strong and light as well as a high temperature and pressure conductor. It can be used to make strong light materials and has much lower atomic structure than iron. NETL is looking at other uses for coal like carbon fiber. NETL has a small and growing program for coal projects; \$10 million in funding from DOE will support cost-shared research and development in Maximizing the Coal Value Chain. This funding opportunity seeks to develop innovative uses of domestic coal for upgraded coal-based feedstocks used to produce power, make steel, and make high-value products – ultimately creating new market opportunities for coal. Some of the uses for coal include making conductive inks from a liquid graphite to create electronic components; lightweight roofing materials reforming into a foam product that is lightweight and fire resistant. Limitless the things could be done with product like

that. Coal to liquids process - carbon fuels in Denver has small pilot plant to upgrade and get running. One project will use waste coal to produce exciting products. Rare earth elements (REE) - are prevalent in our lives - in such low concentration tough to make them mineable - China does because labor is so low. The elements are critical to everyday life and some have national security implications. 200 metric tons of rare earth elements are needed per year; almost all are produced by China. There could be 6 million metric tons in western coals, 5 million in eastern coals, it is a big potential resource. The US is starting to look at the development of REE's; in FY14 Congress funded an REE recovery from coal program - pilot scale facilities coming on-line in the next 3 months. 5 to 10 percent of entire production of coal in the country is exported to European markets from the east coast. Western terminals do not export coal anymore – there is only one facility and it is at capacity. The size of the market in china and other countries is about 1,500 GW to be online by 2020. Communities can work with NETL - FOA and SBIR and STTR programs are the bread and butter of how technologies are developed. Put together a team to take advantage of funding opportunities and research programs; teams are often led by an industrial partner or a university. Almost always local governments are involved in these projects. NETL works with School of Mines in Colorado. The presentation Chris used is available upon request.

SBDC – Chairman Beck introduced Erin McCuskey who is the new SBDC Regional Director for Northwest Colorado. She will be traveling to the counties and would like to get to know everyone.

Freedom to Drive Coalition (FTD) – Kelly Sloan, Sloan & Associates – provided an overview of the membership of the coalition, it includes businesses, auto dealers, trade groups, cattleman's association, and Mesa County. The coalition has party status at the hearing next month. The goal of the coalition is to educate people on the costs of the proposed zero emission vehicle regulations to the state. There is a concerted effort by the administration, legislature and some local governments in Colorado to move people out of automobiles - parking in downtown Denver is difficult and at least one new hotel has no parking spaces and new/updated road designs are taking away traffic lanes to create bicycle lanes. The Governor signed an executive order (EO) this year committing Colorado to the California emission standards. If we adopt those standards, any changes made by California will apply to Colorado. Low Emission Vehicle (LEV) standards passed last year required certain vehicles be sold in the state – the Governor's EO consigned us to Zero Emission Vehicle (ZEV) standards. The proposed rule sets a base of what portion of a manufacturer's sales in the state must consist of ZEV's. Only Tesla can meet that requirement. California doesn't have the terrain we have in Colorado; it is a completely different environment that may be more conducive to ZEV's. The proposed Standard under consideration requires that by 2025 Colorado must meet a 10% benchmark. When a manufacturer can't meet the standard, they buy credits from Tesla - this is the Tesla business model. There are two ways the automakers have to address the benchmark; they reduce the price of electric vehicles then increase the price on trucks and SUV's plus these credits. It is important to note that 75% of the vehicles Coloradans drive are trucks and SUV's. The penalty is \$5,000 per credit; the manufacturer will have to make up that cost elsewhere. Studies show that the ZEV standards will drive up the price of vehicles so all will see increases in vehicles. The effort might be positive if there were an environmental impetus - studies point out that ZEV mandates can increase greenhouse gas (GHG). ZEV's are coal fired cars so increases in their use will drive up demand for electricity. Studies show that as prices go up people will stay in old cars longer - new cars are 99% cleaner than even 15 years ago. This mandate could be putting more carbon in the atmosphere than would otherwise occur. California air commissioner said the rules are not working and their emissions are going up; Colorado emissions are declining. Electric vehicle adoption rates will improve with technology, but this is not the right time to force Colorado to adopt the California model. The FTD Coalition would like AGNC to join the coalition as a member, the organization would have party status for the upcoming hearings. Public comment is being taken on the 14th, we can write comments, but they need to be submitted by July 30th. There is no cost to join but the coalition would take donations and they encourage individual local governments to join. The auto dealers sued over the LEV rules, but the case was dismissed by court as the court said the auto dealers

did not have standing. Gary Moyer made a motion that AGNC join the coalition; Roger Granat seconded the motion. It was noted that owners of EV's need to pay for road use as they do very little to cover transportation costs; those buying EV's are wealthy not the working poor - they should pay their fair share. Motion passed.

Federal Delegation Updates

George Rossman with Congressman Tipton's office reported that the House passed a bill expanding access to capital and requires the FTC to focus on rural communities. FY20 requires the SBA to conduct state and local outreach regarding disaster relief loan program. The Congressman worked on some post office issues - had issues with failed delivery mostly in rural areas; Congressman talked to the Postmaster in an effort to address the issues. Congressman doesn't see a lot happening in health insurance although he is supportive of the re-insurance effort in Colorado. As a founder of the small business caucus, he is trying to increase capital resources to small businesses and minority businesses. He introduced a broadband bill and is really looking at mapping since it has been so inaccurate. The Congressman is very pleased with the BLM announcement, he has worked on the move since 2016; he sends big kudos to Grand Junction.

Alyssa Logan with Senator Bennet's office reported that the Senator is excited about the BLM announcement, for Grand Junction and the state. He is pleased with the outcome; it was bi-partisan effort. The Senator is holding listening sessions across the region in August and September; they will be extending invitations to AGNC and constituents in the area.

Betsy Bair with Senator Gardner's office provided the BLM move background and noted that it really started with counties when BLM 2.0 came out and every county west of the divide said this is terrible. At that point 8 issues were overarching, and the Senator took those to Neil Kornze and asked why DC people are making decisions when they impact Colorado. The Senator said you should move to Grand Junction so you can see how people are impacted and that began the effort resulting in the BLM HQ being located in GJ. The banking committee will hear about cannabis banking issue; as recreational and medicinal use expands it is creating unsafe conditions and creates black and gray markets; the bill will create stability for the industry. The Taiwanese President will be in Denver meeting with Senator Gardner - they beg for our natural gas when they meet with our leaders. Senator Gardner introduced a FERC bill to change the permitting process and to streamline it (thanks to Senator Bennet for support). NDAA passed in Senate with quite a few amendments from Colorado; next week in Grand Junction, it will be Navy week - it is the first time in rural Colorado. There will be Navy activities all week and culminates in the air show - blue angels will be at air show. Sailors from the USS Mesa Verde will go to Mesa Verde and USS Constitution crew will be here as well. Two big wins this week, National children's hospital association presented Senator Gardner its highest award; the Senator is one of the founding members of the Teddy Roosevelt caucus in the Senate which is based on values of Roosevelt. The group believes sportsmen, and agriculture are the best stewards of the land and it is looking at conservation values from those that live on the land. Kris Melnikopf said thank you to Senator Gardner and staff for their help in keeping the Job Corps in place. She also noted that her son has been elected to FAA office as treasurer.

NEW Business:

Mike Samson noted that he has been approached by three different people associated with the EIAF advisory group and that they would like to have commissioner from NW Colorado on that board. Commissioner Jankovsky is in the process of applying for one of the vacancies. Doug Monger stated that Commissioner Corrigan would like to serve on that group as well. AGNC may provide a support letter for both commissioners.

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

- Budget modification to eliminate the Due To/From entries as discussed by the auditor
- DWC contract extended for FY 2019/2020; AGNC will remain the fiscal agent
- EDA grant has been submitted requesting funding for a feasibility study on coal to products in cooperation with Dixie University in Utah.

Next Meeting: *August 21, 2019, Technical College of the Rockies, 1765 US-50, Delta, CO*

Adjournment – Meeting adjourned at 1:55 pm.

Attendance:

Ray Beck, Moffat County	Andy Key, Town of Rangely
Chris Nichols, City of Craig	Scott Hahn, City of Rifle
Heather Jones, AAoA	Gary Moyer, Rio Blanco County
Grady Hazelton, Town of New Castle	Betsy Bair, Senator Gardner’s Office
Alyssa Logan, Senator Bennet’s Ofc.	Si Woodruff, Rio Blanco County
Christopher Nichols, US Dept. of Energy	Cheryl McDonald, DWC
Roger Granat, Town of Palisade	Erin McCuskey, NW Colo. SBDC
Konnie Billgren, Rangely Area Chamber	Stuart McArthur, Town of Parachute
Jeff Comstock, Moffat County	Makala Barton, Rio Blanco County
George Rossman, Congressman Tipton’s Ofc.	Bonnie Petersen, AGNC
Tiffany Pehl, AGNC	Karen Harkin, CHFA
John Justman, Mesa County	Ted Orf, Orf & Orf
Doug Monger, Routt County	Richard Orf, Orf & Orf
Tim Redmond, Town of Hayden	Paula Stepp, City of Glenwood Springs
Mike Samson, Garfield County	Diana Orf, Orf & Orf
Jeff Layman, Town of Silt	Kelly Sloan, Sloan & Associates
Carolyn Tucker, Colorado Workforce	Kris Melnikoff, Town of Collbran

ATTACHMENT A

AGNC REPORT JULY 2019

June visitation for June 2019 was 4,421 up 1.19%
Year to date 27,046 up 16.26%

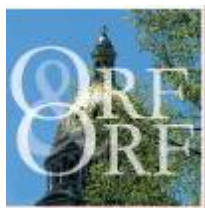
We have been very busy with rafting trips approx.300 per week and large bicycle groups.

The youth Summit for preserving America will be here for 5 days starting July 29th.

All brochures are rearranged in their new regions. We are receiving a lot of positive complements on our new map and center layout.

Cheryl McDonald

ATTACHMENT B



Associated Governments of Northwest Colorado (AGNC) Legislative Update July 17, 2019

Energy Legislation Review Committee. The first meeting is scheduled for July 29 at the Capitol. No agenda has been released for the meeting, which is sure to begin with an overview of the Committee's charge from the legislature: to study the following policy issues: • electric grid interconnection; • electric vehicle market adoption factors; • energy supply and transmission planning; • grid security; • distributed generation options; • energy market transitions; • clean energy job creation and the impact to jobs as a result of changing energy markets; • climate change policy options; • demand-side management; and • energy storage policy.

The committee is also authorized to conduct two field trips outside of the Denver metropolitan area to better understand energy development, grid security, energy supply and transmission planning, and other issues that affect energy policy in Colorado.

The first field trip will be to Fort Morgan where the committee may (although not certain) view a wind farm and other generation. On Sept. 12 the Committee will go to Grand Junction where they will have dinner and hold a meeting from 9-5 on Sept. 13. Requests for draft bills must occur during a single committee meeting set for requesting legislation, (no later than September 23, 2019), so bill requests will likely be handled at the Sept. 13 meeting

Family and Medical Leave Task Force. The first meeting of the task force was held July 16 at the Dept. of Labor. The meeting was not publicized on the legislative web site; however, the agenda indicates that a significant portion of the discussion was to deal with obtaining an actuarial analysis of the plan and issuance of a Request for Information (RFI).

Tax Expenditures Evaluation Committee. The committee established to review the Auditor's recommendations on various credit and exemption programs will meet July 23 and 24. Agendas indicate a general overview of the committee's directives and an analysis for how it will proceed. There has been no information which programs will be first up for evaluation; however, we understand that Enterprise Zone credits will be considered in October.

Climate Related Activities

At the Air Quality Control Commission's annual planning retreat on June 26 the Commission and staff laid out plans for complying with the new legislation enacted during the 2019 session. The July 18 AQCC meeting will include a briefing on all four major climate bills. The Commission previously discussed having former Gov. Ritter to come and talk about a state plan to achieve goals. At the October 17 meeting there will be a presentation by "climate experts" in GHG mitigation and methane reduction strategies. The February 20 meeting will see a request for hearing that would require GHG monitoring and reporting, and a proposal to implement measures that would cost effectively allow the state to meet GHG goals. The hearing would be set for the May 21 meeting. Commissioner (Auden Schendler has a priority of flaring methane from NF mines and create a credit system to sell those credits to CARB. There was brief discussion of cap and trade during the Commission retreat, but that is not enough to achieve the goals; there was consensus that emitters who can't comply will have to buy credits.

The Division's Climate Unit will be composed of seven staff members (new hires) with five

devoted to technical work and two that will handle coordination with other agencies and the public.

There appears to be some skepticism from AQCC member from Larimer county about the cost and economic impact of all this. All seem mindful of the relatively short timeframe and the heavy lift involved

Regulatory Development for TENORM. CDPHE has begun meeting with various generators of TENORM wastes to better understand the processes in preparation for developing proposed regulations for disposal. On July 16 drinking water treatment providers responded to questions regarding various treatment technologies that could generate low level radioactive wastes and the types of exposure that could result from handling or transporting of those wastes for disposal. The next meeting on August 5 will discuss Water Discharge Treatment. Future meetings will discuss oil/gas waste and setting limits for landfill disposal.