



ASSOCIATED GOVERNMENTS
OF NORTHWEST COLORADO

MINUTES

AGNC BOARD OF DIRECTORS & MEMBER MEETING

September 16, 2020

9:00 am to 1:00 pm

ZOOM: <https://us02web.zoom.us/j/2510562431>

PHONE: +1 (669) 900-6833 **Meeting ID:** 251 056 2431

Call to order – Ray Beck, Chairman, called the meeting to order at 9:02 am. Introductions were made.

Approval of Minutes – Chris Nichols moved to approve the minutes from the August 2020 meeting; Doug Monger seconded the motion, the motion passed.

Financial report: Bonnie Petersen provided an overview of the financials for August 2020. Total current assets as of August 31, 2020, \$661,808.33. Income for the month is more than budgeted as we received contribution project admin fees - \$13,904.24 which mostly accounts for the difference. YTD revenues exceed budget by approximately \$20,000. Expenses for the month are below budget and the same is true for YTD expenses. Net income for the month is positive and exceeds budget, YTD net income is ahead of budget as well. Mike Samson moved to approve the financial report; John Justman seconded the motion, motion passed.

Project and Committee Reports:

AAoA - Heather Jones reported that AAoA served 14,745 meals in July and that ADRC's seeing increase in calls for information and assistance helping to get vouchers for assistance. Heather sent out the RFA for the additional funds AAoA received and has extended beyond the Labor Day deadline; several applications have been received since it was extended. The State LTC ombudsman will come next week to do audit of local program. SUA will do virtual audit in January of 2021. Local ADRC's participating with Medicaid assistance has been delayed to November. This would be another layer of potential income to aid in stability of those programs. Heather will start virtual audits with AAA providers and will consider COVID 19 and their ability to provide services. AAoA is doing Senior Law Day this year but they will do series virtually on Fridays starting Oct 9th going from 10 to 11; they will end on December 4th; they will skip Thanksgiving week. Given pandemic restraints AAoA decided to forgo conducting an in-person event. Because of the virtual set up, they can advertise the events throughout entire region so they are looking for participation from other counties that have not had much participation in the past. You can see Heather's report at the end of these minutes as Attachment A.

Legislative report –Orf & Orf - Richard, Ted, Diana reported that the COGCC is still adopting new rules for oil and gas. Last week they discussed setbacks and indicated that they want to adopt a 2,000 foot setbacks which contradicts what voters rejected two years ago. The

Air Commission is hearing reg 7 and are getting into oil and gas measures. There are no formal recommendations as yet. GHG sub-committee will meet on 9-25 environmental groups have sued because regulations have not been submitted by 7-1-2020; everyone knew they would not be able to get them done by that time. GHG proponents are being very aggressive and will make recommendations which will probably creep into legislative efforts next year. In public comments submitted by DU law school, a section on just transition called out Craig as a community that needs new jobs directed to it. People are very aware of Craig, CO. Legislative issues for coming year: we know that budget and taxation will be huge issues, the new economic report will be coming out and they will have real data they can work with - it will be a really important report. The report will dictate priorities for legislation. Documents on exemptions, deductions, etc. have been distributed to determine how to deal with budget issues. The Committee looking at the tax issues is considered to be outside the public meetings rules and there are other committees being stood up under similar circumstances. Nobody outside the committee knows who is discussing what; since these discussions will result in legislative recommendations, they should be transparent. Dan Gibbs is working on a bill to address water speculation; formed group to address the issue. Health department continues to talk about a permit program for dredge and fill to pick up what corps of engineers is not doing. Current injunction on WOTUS saying not applicable to Colorado - Colorado wants its own program - say they are not seeking legislation but think that may not be the case. We may see regulators adopt changes in building codes for energy efficiency and may see regulations about commercial emissions. Legislators may look at legislation to make modifications to bills passed quickly last year. Sick leave bill may be amended if FML bill does not pass. Vaccine issue may come back as well. Police reform bill will probably come back to address the ability of municipal government to cover officers. Ballot issues - sent fiscal impact information that will be in the blue book - only deal with cost to state of CO does not talk about private or local government impacts. NPV - Prop 113 - AGNC formally opposed this measure. The Denver Post printed and editorial in favor of Prop 113; tremendous amounts of money has been spent by supporters. Wolves Prop 114; the fiscal impact for the state is attached and it will cost the state some significant money to put together a plan for wolves; the costs do not reflect Ag and hunting costs. Gallagher is Amendment B; there has not been a lot of public discussion on this measure but there is a very active group of supporters; we are not getting fliers in mail or seeing TV ads. The Denver Post supports adding gray wolves in Colorado. Any discussion on these amendments? If AGNC wants to take positions on any of the measures, please do so and let Orf and Orf know.

Spring Born Greenhouse Project Overview – Gail Schwartz, David Mylar, & Project Developer Charles Barr provided an overview of this project which is in Silt Colorado. The project is devoted to growing leafy greens and will generate about 5,000 pounds of lettuce every day. The project is all automated and will use no transitional farm labor; all jobs are full time and year-round. A video demonstrating the process was shown to participants. Gail offered thanks for taking time to hear about next generation of agriculture in this part of the state. This technology can be a critical opportunity for addressing food production, job growth and economic development as well as water conservation. This can help to diversify and stabilize agriculture in the long term. This can be integrated into agriculture with a legislative change and the project leaders would like feedback and discussion regarding such a change. Chairman Beck noted that Moffat County, Craig, and Trapper mine have come together to support hydroponics at Craig high school. In response to a question about funding sources for the project, it was explained that USDA is a financial partner in the

project and will guarantee the loan. Much less water is needed to produce this product in this environment; year-round production can be done and it can be very price competitive with field grown lettuce. The project will support year-round jobs - full time jobs for the local community. Main benefits of system build out can be seen in several ways, Silt contractors are doing the construction work. It is an Ag project - growing food for the local area and they want it to be successful. If the project is successful, there may be an opportunity for expansion. The product is grown in a controlled environment; no hands touch the product till it hits the plate, it is untouched by any chemical and the shelf life of the product is much longer - local food for local people. Climate absolutely matters - Garfield County was very welcoming, the West Slope has tons of sunlight and that is necessary. The greenhouse sits on a farm of 250 acres and the hay farm will continue; the farm provides access to water. While the system started in Finland it can be put anywhere. Charles is striving for the price to be competitive trying to level playing field - out of state Ag has been a non-sales tax enterprise - he is trying to make that even to keep price competitiveness. He is primarily targeting retail chains - large chains won't sign contracts till they can inspect facility. Trying to make a legislative change to aid in small production facilities. Ag is disappearing in a lot of communities because it is a difficult business. The hay field operation will continue along with Spring Born project. Charles is 100% owner, and he has a loan guarantee from USDA - if the project should go bankrupt USDA will pay the bank. No government money is invested but it does provide protection for the bank. It will require 18 months to profitability if contracts can be obtained. Anything can be grown in the greenhouse; this equipment is specific to lettuce so the facility will not grow anything but lettuce. Energy is provided by natural gas as there is ample gas in Garfield county; there are two heating systems - natural gas and boilers that will run heat in the floors. Natural gas is less expensive than electricity. Turn around for production - depending on the type of lettuce growing and different growing cycles - average is 21 days. There will be 18 distinct growing lines and could grow different varieties in each growing line. Season never ends - every day planting and everyday harvesting. Harvesting before mature plant so cross pollination is not likely. Charles is asking to amend the State's definition of agriculture as current language excludes a project like this. The current definition describes agriculture as things grown in soils of the land - growing things on a table - growing food; would like to see agriculture defined as growing controlled environment food production excluding the industrial production of marijuana. There are bigger implications - 90+ % of leafy greens are produced by California and don't provide benefits to the communities locally. Would like to produce more of this type product. This presentation was meant to be an education session on the project, the technology, and the legislative matter; AGNC will have further discussions about it. A concern was raised that this is not creating a new market for lettuce by any means and that it will compete with lettuce producers that serve Colorado.

West Slope Legislative Representative –Dylan Roberts represents HD 26 and provided an update on his legislative efforts. He provided an overview of the 2020 legislative session. He noted that the Energize Colorado program has been launched, it is to gap fund small businesses who can apply for relief for loans or grants; it is funded through federal funds received. This is a merit-based grant fund, and it is hoped to get funds to businesses that most need it right now. Rural Jump Start, Dylan was pleased the bill got passed this year to extend the program for 5 more years; the bill changed some of the parameters to help more businesses take part. Businesses no longer have to look statewide for competition, they can look at the local area. Also, they no longer have to partner with higher ed institution, they can partner with chamber or ED organization. He worked on the bill to allow

restaurants deliver alcohol with food to help keep restaurants open during the pandemic, and they are looking to extend that provision. He worked on a bill to allow more home-based childcare entities to open up. Looking ahead, the state is still in dire economic times and everyone is looking forward to budget forecast this Friday. Next session will likely see cuts more than additions. Bills with fiscal notes are not likely to move forward. Rep. Roberts has been following the just transition committee - looking at recommendations - one incentivize public utility investors to look at new technologies and encourage them to bring in new technologies. Specifically targeted at communities where there is the most impact. As Chairman of the Ag committee, he has been made aware of the Spring Born issue; he pulled a bill title to see what it would take to change the definition of Ag. The bill will need guardrails to exclude anything outside food production - then also define size. At the end of the day we are talking about property tax exemptions - it is important to understand that it will impact local budgets. Need to get details right - would like bipartisan support.

Representative Perry Will, HD 57 provided an update on his legislative efforts. Next year will be a more difficult budget year. He is looking at different things including some tax ideas around solar arrays. Will be looking at items tabled - one is colorectal screening and another cancer item for next year. Representative Will participated in the tour of the Spring Born project he loves the job creation and economic development here. He raised the concern that if the state gives Ag status to smaller operations like Spring Born, we need to be sure that we don't just pave over Ag land - don't get benefit of project. The Spring Born footprint doesn't provide for wildlife. Concerns with that - several things to discuss. Talked to Schwartz - purchased 250 acres footprint is 8 acres. Doug Monger - think if going to move into Ag classification - always rated on production value will be higher because of production value. Mike Samson noted that the county finance people are working on a project to determine what kind of figures we would be talking about. He noted that Charles wants to pay people very well. Economies are suffering in Western Garfield county right now - have to look hard at what is available and what is the future. Things changing quickly in US - Ag is going to change won't grow crops the way we have in the past. Farming of the oceans may be something of the future - want to look at statistics and see what the facts are - first impression is to support it. Ray Beck - valid points - Chris - agree with Mike's concept of determining what the costs are - good paying jobs are more impactful to municipalities. Looking at replacing jobs in Moffat County unless significant impact on tax would support as well. Merrit support in concept - get assessor's association to weigh in to see how it would impact local governments. Trying to avoid unintended consequences. Doug - need to figure out the consumptive use of water - will it have to go through some sort of change. Water use would be much lower than regular use in the typical growing season.

Rural Jump Start Update – Ken Jensen and Andrea Blankenship from OEDIT provided an overview of the jump start program with the changes approved in the last legislative session. The program provides tax exemptions for businesses in distressed county. About 20 companies are taking advantage - some active, some not. The company cannot be operating in the state at time of application, it must export outside of the county and hire at least 5 people making more than the average wage of county. The competition clause is a big component of program. Currently over a dozen counties have set up eligible zones and the lion's share of companies in the program are located in Mesa County. We tend to see companies working in software, GIS companies and a fair number of advanced

manufacturing companies. There are seven metrics of economic distress, five from statute and two added by the EDC; they are:

1. Personal income,
2. Personal Income growth,
3. Unemployment,
4. Percent of children receiving reduce lunch,
5. Working age population reduction,
6. Location in a Metropolitan Statistical Area, and
7. Location in an Enhanced Rural Enterprise Zone

OEDIT reviews the criteria every year a county needs to meet 3 of the 7 criteria; if approved, the zone has a three-year period to use the designation. Mesa, Rio Blanco, Routt, and Moffat are all jump start zones. Garfield was distressed originally but has improved so it no longer qualifies - and western Garfield has different dynamic. The county must pass a resolution stating they would waive personal business property tax for new businesses - binding all of the unincorporated county. If business locates inside city limits, the city must pass a resolution as well. All must be packaged in application for zone. The EDC initially said Routt could be a zone without Steamboat Springs; eventually Steamboat was approved to be in the jump start program as well. When EDC approves the formation, it exists for 3 years then it will be re-reviewed. If EDC found the area to be no longer distressed, they will no longer have a jump start zone. EDC could provide a zone in all but Glenwood and Carbondale within Garfield County. The competition clause made it impractical for many business startups. Andrea noted that there is a change of statute effective October 6th which extends the program for 5 years allows a new company to work with a local ED organization to apply for the program. Importantly, the competition clause is changing - now you cannot compete in a contiguous economically distressed county rather than across the entire state. Most resolutions on file will expire at the end of this year and OEDIT will be reaching out to those entities with expiring documents to re-authorize resolutions. If spring born is not currently selling probably strongest indicator. Specialty manufacturer (aerospace). The typical process was outlined; if a company is interested, OEDIT staff will do a conference call with the company and ED and OEDIT staff will determine if jump start is applicable or not.

Regional Distribution of Opiate Settlement Funds – Ray Beck and Rose Pugliese provided an overview of the conversations being held regarding the distribution of opiate settlement funds within the state. The settlement of a lawsuit against pharmaceutical companies related to opiates has been made and a distribution methodology for the settlement money is being designed. Rose and Ray have been working with CCI and the AG's office to determine what map boundaries will look like. The AG's office is pushing for regions to be established and then funds would be divided up among the regions. Consensus is needed from the AGNC membership on what the regions should look like. They reviewed the proposed regions and asked if AGNC members could see Pitkin, Eagle, Summit, Clear Creek and Gilpin counties as one region without including some of the AGNC counties. This region seems like a very large region and it may be appropriate to suggest Pitkin to Gilpin be its own region. Then would Mesa County be a standalone region or join with the remainder of the AGNC counties. Malala Barton noted that Rio Blanco Commissioners support Moffat and Rio Blanco being a separate region. A funding reduction could be the result if the counties can't come to a consensus to secure the funds Colorado is eligible for, which could be \$400 million a year over 18 years. Several members stated that the region, as proposed is too big and that it makes more sense to split it into two regions. Members

also stated that it makes sense that Mesa County stands alone. Ray noted that the settlement is moving quickly, and the state could see funds as early as next January. Ray and Rose will make the discussed recommendation at next meeting on the 24th. Rose stated that they want to do the best for the region and asked if there were objections to the recommendation to split the NW region; there were none raised. The members were asked to look at the funding formula and to please provide feedback to Commissioners Beck and Pugliese. As a region we could apply for capital from the state's money to help with capital development if it is a need identified by the group managing the district.

Federal Delegation Updates

George Rossman from Congressman Tipton's provided an update; she indicated she will attend the October meeting in person. The House is back in session this week, the biggest topic is the next COVID package and avoiding a government shutdown. They are hoping for agreements on enhanced unemployment benefits. The Congressman and staff do not feel there will be a large COVID package. The HEROES package stalled, and they don't expect a package like that will move forward. Staff is in the process of closing the Congressman's office; Congressman Tipton and his staff extend their thanks to Senator Gardner and Senator Bennet's offices as well as AGNC.

Betsy Bair from Senator Bennet's office noted that he is up for re-election and, with that, the office has entered a travel moratorium, so they are working hard on behalf of the area but have restrictions regarding travel. It appears there will be a continuing resolution to carry the budget through the election. It looks like the House will go back into session next week. Several federal court judges will be confirmed next week. The Senate will be in session next week then will adjourn until after election. There have been a number of field grants in Colorado; the Senator was delighted to see RFTA get a substantial grant. Colorado has been the recipient of many federal grants of late. Senator Gardner passed the GAOA and the US Forest Service has begun seeking public comment on prioritization. Comments are being taken on the website – you can go in and comment on priorities - as community or AGNC can go on and help set priorities for the Forest Service. One more thing, if there are residual issues due to the recent fires, the Senator is trying to make sure resources are available for communities.

John Whitney from Senator Bennet's office provided an update on EWP - emergency watershed protection - trying to be sure funding is available. They are asking NRCS & USDA for first \$5 million of funding for Colorado - making sure they get funding flowing and working to get cost share down a little bit for the counties in region. They are trying to get the 25% cost share dropped to a 10% cost share. They are working to replenish funding with a supplemental appropriation – it is unlikely counties will obtain waiver approvals if a supplemental appropriation is not approved.

Matthew Kireker from Senator Bennet's office provided an update. He noted the Senator and staff appreciation of George and others of Congressman Tipton's staff. Matthew noted that the US Service Academy nominations ramped up in March and that they are now moving into the interview process; the Senator's office is engaging panelists to interview applicants so nominations can be made next spring. The interviews will run through November so if any local leaders would be interested in being a panelist on a Saturday, please reach out to Matthew or Alyssa. Also, they are hosting virtual office hours - local papers may have notices about various topics throughout October and November. There

are three other ongoing priorities the Senator is working on; 1) the Bridge Act, a broad band bill connecting unserved hospitals, schools, etc. ; 2) the Restart Loan Act for small businesses; the bill has 55 co-sponsors including 24 Republicans. The Senator continues to highlight that it is the only bi-partisan business focus COVID bill; 3) the final initiative is one supporting rural hospitals.

Administrative Update

Bonnie Petersen provided an Administrative Update on the following topics:

- AGNC provided a letter of support for the CNCC Colorado Opportunity Scholarship Initiative Workforce-Aviation Matching Scholarships.
- In September, staff met with Garfield and Mesa County Boards of County Commissioners and provided updates on activities AGNC is involved in. Those include but are not limited to issues related to rural jump start in Garfield County, continued work on the coal to products concept, identification of potential new business options, NW Colorado Air & Space Coalition efforts, DOE Coal Products Innovation Center NOFO, just transition and grant opportunities.

New Business: *Next Meeting October 21, 2020, Rangely Automotive Museum, 128 S. Stanolind Ave., Rangely, CO 81648*

Adjournment – Meeting adjourned at 12:34 pm.

Attendance:

Ray Beck, Moffat County
Mike Samson, Garfield County
Tiffany Pehl, AGNC
George Rossman, Congressman Tipton's Ofc.
Heather Jones, AAoA
Merrit Linke, Grand County
Chris Nichols, City of Craig
Carly Thomson, Rio Blanco ED
Jeff Comstock, Moffat County
Rep. Perry Will, HD 57
Scott McInnis, Mesa County
John Whitney, Senator Bennet's Office
Christina Oxley, Colorado Workforce
Carolyn Tucker, Colorado Workforce
Tom Kleinschnitz, Moffat County Tourism
Gail Schwartz, Spring Born Greenhouse
Charles Barr, Spring Born Greenhouse
Melanie Matarozzo, Town of Collbran
Ken Jensen, OEDIT
Kimberly Bullen, DOLA

Bonnie Petersen, AGNC
Betsy Bair, Senator Gardner's Office
John Justman, Mesa County
Doug Monger, Routt County
Diana Orf, Orf & Orf, P.C.
Richard Orf, Orf & Orf, P.C.
Ted Orf, Orf & Orf, P.C.
Keely Ellis, Town of Rangely
Jeannie Caldwell, Town of Rangely
Makala Barton, Rio Blanco ED
Paula Stepp, Town of Glenwood
Cheryl McDonald, Dinosaur Welcome Cntr.
Matt Kireker, Senator Bennet's Ofc.
Jon Bristol, Steamboat Springs ED
Tanya Perea Doose, Rifle Chamber
David Mylar, Spring Born Greenhouse
Rep. Dylan Roberts, HD 26
Andrea Blankenship, OEDIT
Rose Pugliese, Mesa County
303-880-4172

ATTACHMENT A



Comparing July 2019 vs July 2020

- 31% increase (14,745 to 19,308) in meals across the region
- 66% increase in information and assistance calls (ADRC)

Updates from AAA:

- AAA COVID-19 Grant app went out 8/24 due 9/7, but extended to 9/16
- The State Long Term Care Ombudsman will be auditing our Region 9/25
- The State Unit on Aging will be auditing our Region in January 2021
- The ADRC Medicaid FFP (Federal Financial Participation) has been delayed another month, should be starting in November
- Looking to start virtual audits with AAA providers
- Colorado Legal Services and AAA will be doing a Virtual Senior Law Day Series 10/09-12/4. *See Flyer for more info.*

ATTACHMENT B



Associated Governments of Northwest Colorado (AGNC) Legislative Update September 15, 2020

The General Election is now only seven weeks away. That election will result in new legislators being sworn in January 13. At least twelve new House members will be seated (along with those who return) and perhaps additional new faces if incumbents are voted out. The Senate will see three new members (at a minimum). Eighteen Senate seats are up for re-election, with fifteen of those whose members are hoping to return. And potentially eleven new measures could be incorporated into Colorado law, either by statute or constitutional amendment (of course, rarely do all ballot measures pass).

The following ballot measures have previously been discussed, but information has been updated, including the Blue Book Fiscal Impact Statement which estimates the cost to the state (not to local governments or the private sector).

Proposition 113. National Popular Vote. If approved, this measure will allow Colorado to join other states in casting its electoral votes for the winner of the national popular vote rather than the winner of the state popular vote. Citizens led the effort to put this on the ballot to overturn a bill that was passed and signed in 2019. The measure will appear on the ballot. More than \$3.2 million has been spent by supporters (many from outside Colorado) while opponents report spending less than \$200. The Denver Post has editorialized in favor.

Proposition 114. Reintroduction of Gray Wolves. The measure amends Colorado statutes to require reintroduction of gray wolves into Colorado and requires Colorado Parks and Wildlife to develop a management plan. The measure will appear on the ballot. Opponents (there are two organized groups) have spent approximately \$200,000 to fight the measure, while supporters have spent \$1.5 million to pass it. The Denver Post endorses the measure while most counties oppose. The fiscal impact analysis which will be included in the Blue Book is attached.

Amendment B. Gallagher Amendment Repeal. The measure was referred to the ballot by the General Assembly (therefore no signature requirement to be met). It amends the Constitution by repealing the Gallagher Amendment which fixes the ratio of residential property tax to all other property tax revenue at 45-55%. If passed, a separate piece of legislation will freeze the current assessment ratio until changed by the legislature. Neither the issue committee formed to support (Colorado Coming Together) nor the opposition committee (Keep Property Taxes Low) report having spent any money on the measure. Descriptive language in the Blue Book (legislative booklet sent to all voter households) was amended prior to printing, leading to a lawsuit by opponents who argued that the description distorted the analysis to favor the repeal.

Interestingly, the plaintiffs in that suit included a former Democrat Speaker of the House, her husband (a former Boulder assessor), and the author of the Gallagher amendment. A district court judge immediately dismissed the case. The fiscal impact analysis from the Blue Book is attached.

Proposition EE. Cigarette and Nicotine Taxes. This measure was referred to the ballot by the General Assembly following the passage of HB 20-1427 on the last day of the session. It was a compromise to head off a more radical proposal. It increases the tax on cigarettes and other

tobacco products and adds a new tax on nicotine products such as vaping substances. A portion of the revenue raised would go to public schools. There do not appear to be issue committees formed concerning this specific measure, although several organizations worked on previous efforts.

Amendment 76. Citizenship Qualification of Electors. The Constitutional measure reiterates that only citizens may vote in elections (Current language says “Every citizen” can vote). Supporter organization Colorado Citizen Voter has spent \$20,000 to pass the measure. No opposition committee is currently registered.

Proposition 116. Reduction of State Income Tax. Initiative #306 qualified for the ballot August 17 via a petition submitted by Jon Caldara and Sen. Jerry Sonnenberg. It lowers the Colorado income tax for individuals from 4.63% of federal taxable income to 4.55%. Income tax for C corporations is also decreased from 4.63% to 4.55% of Colorado net income. The fiscal impact analysis from the Blue Book is attached.

Proposition 115. Prohibition of Late Term Abortions. The measure amends Colorado criminal statutes by prohibiting licensed physicians from performing an abortion if the gestational age is at least 22 weeks, as determined using best medical practices. The measure requires physicians to decide of the probable gestational age before performing any abortion. Under the measure, performing or attempting to perform an abortion after 22 weeks gestational age is a class 1 misdemeanor.

Amentment C. Bingo and Raffle Rules. The measure amends the Colorado Constitution to allow persons conducting bingo and raffle operations to be paid (no more than minimum wage) and changes the required period of existence of an organization sponsoring bingo or a raffle from five years to three. This measure was referred by the General Assembly pursuant to HCR 20-001.

Proposition 118. Paid Family and Medical Leave Insurance Program The measure creates a statewide paid family and medical leave insurance program and division as an enterprise in the Department of Labor and Employment (CDLE). The purpose of the Family and Medical Leave Insurance (FAMLI) program and division is to provide partial wage-replacement benefits for up to 12 weeks per year to eligible employees, and employment protections for employees that take that leave. Premium payments for the program are split between employers and employees. Opt-out provisions include local governments, employers of nine or fewer employees, self-employed, and employers that offer essentially the same benefits. Federal employees are not covered. The fiscal note analysis from the Blue Book is attached.

Amendment 77. Local Voter Approval of Gaming Limits in Black Hawk, Cripple Creek, and Central City. The Colorado Constitution currently limits gaming to slots, blackjack, poker, craps, and roulette, with a maximum bet of \$100 for any game. This measure would allow voters in Central City, Black Hawk, and Cripple Creek to expand bet amounts and the types of games allowed at casinos in the three cities. Additionally, the measure allows gaming revenue distributed to the state's public community colleges to be spent on programs that improve student retention and increase completion of credentialed programs.

Proposition 117. Voter Approval for Creation of Certain Fee Based Enterprises. The voter approval requirement applies if the program's projected or actual revenue from fees and surcharges exceeds \$100 million over the first five years for which the program will operate as an enterprise. To make this determination, projected or actual revenue from enterprises created in the five preceding fiscal years and serving primarily the same purpose are added to the projected or actual revenue of the created or qualifying enterprise.

When Legislative Council staff reported on enterprises in 2019, there were 22 such funding mechanisms in place (another two were added since then). In FY 2017-18 enterprise revenue amounted to nearly \$18 billion. To put this in perspective, Colorado's General Fund for FY 20-21 was around \$11 billion.

Regulatory Activities

Oil and Gas. The OGCC continues to implement SB29-181. The past week has focused on set back requirements for wells and facilities, with commission members recommending a 2000 foot setback, like one rejected by Colorado voters just two years ago.

Air Quality/Climate. The AQCC's work on GHG reduction and decarbonization of Colorado's broad economy continues. Various potential strategies under discussion by the GHG Subcommittee are posted on the AQCC website

<https://drive.google.com/drive/folders/1Ny7mfHM2zJIQySASfZc8Z1WN8fihyST6> Written public comments on the documents are being solicited. Strategies being recommended to the subcommittee and public comments submitted to date urge immediate aggressive action to restrict GHG's, including accelerated closure of coal plants, curtailing all fossil fuel use/emissions, and stopping issuance of new leases and permits. The GHG subcommittee will meet again on September 25 to consider

The spreadsheet of GHG reduction scenarios prepared by CDPHE
Western Resource Advocates contingency proposal
CPHE's proposed contingency plans as described in the PowerPoint
Any other potential contingency plans not yet discussed.

Among the public comments submitted to the Commission is a document submitted by the DU College of Law Environmental law program (at the request of Conservation Colorado). The 44 page document lays out policies for carbon reduction and environmental justice, including Just Transition for fossil fuel dependent communities. Specifically, it calls out Craig Colorado for directing new jobs and economic opportunity such as carbon farming. . Of course, the report does not say how this can be done without significant funding!

Legislative Issues for 2021

Budget and Taxation. On September 18 Legislative Council staff will present the quarterly economic forecast to give the JBC and colleagues a picture of how to plan the coming FY 21-22 budget. This is the time of year when Executive Branch agencies present their wants and needs to the Governor for use in preparing his budget which will be presented to the JBC on November 1. Unlike the June quarterly forecast, which was largely based on models, this week's forecast will have actual data from sales and income tax receipts so it may be a realistic picture of what to expect for the remainder of the year.

The Governor's Tax Study group has met at least once, Composed of unnamed legislators, and staffed by the Governor's Office of State Planning and Budget (OSPB), it received analyses of state tax expenditures (deductions, credits and exemptions) that could be modified or repealed to bring in more revenue. The study documents were prepared by the Urban Tax Center of the Brookings Institute. Some of those credits and exemptions were already undergoing review by the Auditor's office and that input was included. It is likely that all deductions, credits, and exemptions under Colorado law will be attacked this year.

We continue to seek more information on the Study Group's activities. The meetings are held virtually, and we have been informed by the Governor's Office that they are not subject to the Open Meetings Law.

Water. A committee has been appointed by DNR director Dan Gibbs to discuss additional ways to discourage water speculation. The committee was formed pursuant to SB 20-048 and includes Kevin Rein (Co-Chair), State Engineer, Division of Water Resources
Scott Steinbrecher (Co-Chair), Assistant Deputy Attorney General, Attorney General's Office

Tracy Kosloff, Deputy State Engineer, Division of Water Resources

Erin Light, Division 6 Engineer, Division of Water Resources
Lauren Ris, Deputy Director, Colorado Water Conservation Board
Amy Ostdiek, Deputy Section Chief, Colorado Water Conservation Board
Alex Funk, Agricultural Water Resource Specialist, Colorado Water Conservation Board
Justice Gregory Hobbs Jr., Colorado Supreme Court Justice (ret.)
Joe Bernal, Bernal Farms
Daris Jutten, Lazy K Bar Land and Cattle Co.
Joe Frank, General Manager, Lower South Platte Water Conservancy District
Larry Clever, General Manager, Ute Water Conservancy District
Alex Davis, Water Resources Division Manager, Aurora Water
Peggy Montaño, Trout Raley
Peter Fleming, General Counsel to the Colorado River District
Adam Reeves, Maynes, Bradford, Shipps and Sheftel LLP
Drew Peternell, Colorado Director, Trout Unlimited
Kate Ryan, Senior Attorney, Colorado Water Trust

Dredge and fill (Waters of the State). Following the Trump Administration's revision of the Waters of the U.S. regulation, Colorado successfully obtained a preliminary injunction that prevents the new rule from applying and allows the 2008 rule to continue to be applied here. No one knows at present whether the state's arguments will be successful on the merits of its complaint, or if a change in administration in Washington, D. C. might cause the federal rule to change yet again. If the Trump rule remains in place and the state's injunction is overturned, CDPHE will pursue its own dredge and fill program. Its rationale for the program is that prior to June 22 (when the Trump rule became effective) CDPHE had relied on the Army Corps of Engineers to protect state waters under its 404 permit program. That June 22 rule no longer covers ephemeral streams and certain wetlands as waters of the U.S., although they are designated "waters of the state" by Colorado law, and therefore must be protected by a CDPHE permit program, which does not currently exist. Draft legislation to establish a permit program was prepared at the end of the 2020 legislative session, and CDPHE continues to hold stakeholder meetings on the topic, although the department has stated that as long as the injunction remains in place they do not feel it is necessary to move forward with legislation. They are, however, laying the groundwork. CMA is working as a member of the Colorado Water Congress State Affairs Committee on the issue. CDPHE's next stakeholder meeting is scheduled for Sept. 29.

Environmental legislation. Based upon discussions at the AQCC, we expect a bill concerning a low carbon fuel standard and possible changes in building codes for energy efficiency. There may also be legislation to adopt a benchmark for heating/cooling efficiency for commercial buildings.

Follow-up legislation (speculation). When the legislature returned to the Capitol May 26 for three weeks, it passed several bills in great haste. As a result of that speed it can be anticipated that some of these bills will require "fixes". Among those issues are: SB 20-205 (Employee Sick Leave). With the pandemic still active, if the ballot initiative providing family medical leave (Proposition 118) does not pass the issue will likely be back before the legislature to tweak existing law and amend SB 20-205. HB 20-1420 made changes in Colorado tax statutes concerning Net Operating Loss carry-forward, Further changes to this provision may reappear in 2021. And, with the current debate over how and under what circumstances to reopen schools, another lengthy debate on immunization will likely resurface. In the area of law enforcement, amendment to SB 20-217 (police reform) will be raised concerning the ability of a municipality to provide blanket "good faith" protection to its police, and to authorize insurance programs to cover personal liability for officers. These issues were all controversial when originally enacted and any amendment will also create controversy.