



ASSOCIATED GOVERNMENTS
OF NORTHWEST COLORADO

MINUTES

AGNC BOARD OF DIRECTORS & MEMBER MEETING

September 20, 2017

9:00 am – 1:30 pm

Oak Creek Town Hall, 129 Nancy Crawford, Oak Creek, CO 80467

Call to order and introductions – Andy Key, Vice- Chairman, called the meeting to order at 9:04 introductions were made.

Approval of Minutes: Duncan McArthur made a motion to approve the minutes as presented, Don Cook seconded the motion; motion passed with Art Riddle abstaining as he was not present for the August meeting.

Financial Report - Bonnie Petersen presented the financial report noting that year to date revenue is ahead of budget, expenses are below budget and net income is ahead of budget. Mike Foreman moved to approved the financials as presented, Don Cook seconded the motion, motion passed.

- Bonnie Petersen reviewed the proposed 2018 budget. The proposed budget is very similar to the 2017 budget and includes projected grant revenues and expenses associated with the development of a regional comprehensive economic development strategy (CEDS) as a part of the application to become a designated Economic Development District (EDD). The EDD budget was reviewed in more detail and the inclusion of health care for full time employees was reviewed. The Executive Committee had reviewed all the budget information previously and submitted it to the board for approval. Tim Redmond made the motion to approve the proposed budget, Mike Foreman seconded the motion, motion passed unanimously.

AAoA Report- Dave Norman provided an update for AAoA.

- Another regional meeting on the senior plan was held in Frisco; they had about 40 people in attendance. Long term care services are a big topic in the Region 12 area do to the lack of facilities.
- Next 4-year plan for the AAoA will be due in 2019; Dave will start having meetings throughout the region and expects to complete the plan in 2018.
- Dave's retirement and succession plan is being discussed - AGNC needs to be included in those discussions so everyone is aligned for the transition. Mesa County administers the AAoA program through an agreement with AGNC. The agreement was entered into when Mesa County's population reached 100,000.

A recent report stated that 237 thousand jobs are generated by the aging population; in Grand Junction, over 4,000 jobs are generated with a \$140 million impact. AARP has listed GJ as a top retirement area.

DWC Report – Cheryl McDonald prepared and sent a written report see attachment A.

- Cheryl is working on getting electrical service installed for the sign.
- Andy Key noted that community members have provided positive feedback about the sign.

Legislative Report -

- Richard is at the Governor's economic forecast and will be providing updates during the meeting.
- The Governor has called a special session and it will take place on October 2, 2017 to correct a drafting error on SB17-267. An unintended consequence of the bill is that some special districts, like RTD, cannot collect sales tax from marijuana sales. The legislature and administration will be trying to come to agreement and move forward this is the only topic that can be addressed during the special session; it takes at least three days for a bill to get through the legislature.
- SB17-267 provided the Hospital Provider Fee offset which improved budget projection by about \$1 billion, so there will be no TABOR refunds this year.
- The team has been following multiple committees this summer; the Transportation Legislative Review Committee (TLRC) will be in NW Colorado next month. The AQCC will be determining if ozone control measures will be front range specific or statewide. Water nutrient measures being reviewed - fees for drinking water provision may increase for water providers. The proposed closure of Comanche power plants 1 and 2 in Pueblo, which are coal fired units using coal from Wyoming is very controversial. The request will be a proceeding before the PUC first to determine if the proposal can even be made.
- Projected Oil and Gas revenues are not as weak as expected - severance tax collected in fiscal year 16-17 was only \$19 million and the budget providers don't understand why.
- AGNC counties have signed up as interested parties to the ozone regulation hearings. Kirby Wynn is following the issue, attending the hearings and providing updates. Delta and Montrose may have also joined as interested parties. CSU completed a report on air quality that may be a factor in the ozone discussion. Ted sees a problem with statewide regulation modeling, the front range shows a minuscule benefit from regulating ozone in Western Colorado but since the Front Range will always be a non-attainment area, they may be forced to impose regulations on entire state. The state has acknowledged that what is measured in Rangely comes from Utah. If the state doesn't meet the EPA standard then the RAC comes in and imposes regulations on the entire state.
- Duncan McArthur asked that Gardner and Tipton change the definition of rural to accommodate communities like Grand Junction who are not urban but still considered to be non-rural; therefore they cannot access certain programs to assist in the deployment of broadband. Kerry Donovan's talking about a broadband bill again but there is nothing definitive yet. Senator Coram is looking at doing a broadband bill as well.

Twenty Mile Coal Mine Update-Jerry Nettleton, Manager, Environmental Affairs

Jerry Nettleton provided an update on what is happening with coal nationally and locally. His presentation made the following points:

- Safety is a big concern for the mine and all meetings are started with safety. This meeting is no different and Jerry noted that snow is coming soon so everyone should be sure they are ready for changing conditions.
- Our country and the standard of living we enjoy is due to low cost energy. Railroads, Steel, banking and mining were all built on coal.

- When reserves at the mine were exhausted in mid-2015, the company had planned to move to other seams but the political climate and market climate proved that it was not a good time to move to the next reserve. In light of that, the company did additional drilling to move to the coal seam below already mined area to the wolf creek seam. This move is expected to provide about 10 to 12 years of additional mining.
- About 60 percent of the mine employees live in Routt County. Each job in the county generates about 4 jobs per mining job and the mine generate about \$69 million in economic benefit. The company is the largest property tax payer in the county. The company contributed \$110 million to the state education fund through royalty payments.
- 3.2 million tons of coal were mined last year and there are currently about 300 employees. The mine peaked at 9 million tons of coal production and 700 employees.
- Since 2004 total state coal production has gone from 39 million tons to 12 million tons.
- Challenges to the industry include - unfriendly regulatory climate, non-government organization (NGO) lawsuits, renewable portfolio standards, market forces. Some regulations have been removed at the federal level but the impact remains to be seen.
- The company applied for a small coal lease modification and it took 38 months from start to finish. HB1365 retired 1011 megawatts of coal fired generation in Colorado. Natural gas has been a big factor in changing fuel sources. Natural gas price declined to low of \$1.75 per BTU - there is a lot of volatility in natural gas pricing.
- Of the known fossil fuel reserves 85% are coal, 5% Oil and 10% gas. 54% of electricity in Colorado is generated by coal but that is a changing picture. Solar and wind electricity, indeed all renewable sources that are non- hydro provide 1.5% of the electricity needed worldwide.
- New technologies are being developed and implemented that reduce emissions of varying types. Most Chinese coal plants being built use these new generation technologies.
- There are some opportunities to become more competitive and the company is optimistic for the future.

SBDC- Introduced people on phone- Katelin Cook, Keely Winger, Kasey Nispel, Patrick Fleming for the City of Glenwood Springs and Nicole Christiansen, Colorado Lending Source. As Kelly Manning was unable to attend, Bonnie provided an overview of what a Small Business Development Center (SBDC) is, the services and benefits it can provide businesses in the region and AGNC's conversation about filling the gap for NW Colorado with regard to SBDC services. Currently, the NW SBDC does not have a host – the region has 11 counties to serve. AGNC has been asked if it might consider being a host for the NW SBDC; the conversation with key stakeholders thus far reflects a concern about the size of the region and AGNC leadership have indicated that might be a good fit if the region could be split into two regions with AGNC hosting the counties that do not currently have an SBDC serving them – Mesa County has its own SBDC. The Small Business Administration (SBA) provides funding to the state for SBDC's but the regions have to match that funding; funding beyond the match would be needed in order to have a robust program. Bonnie shared an illustrative draft budget noting that some counties have identified some potential matching funds in support of an SBDC. If AGNC were to take on the hosting, it would be necessary to also reach out to business and industry to be sponsors of the effort – Eastern Colorado SBDC has 92 sponsors. Many spoke in support of the concept including Katelin Cook, Nicole Christianson, Kasey Nispel and Kevin Batchelder. The members at the board meeting indicated their willingness to raise the question with their boards and councils. Bonnie was asked to prepare a fact sheet that members could use in raising the question with their colleagues. The members were asked to provide staff with feedback and the

item will be placed on the October 18th agenda for review and final decision. We will see if Kelly Manning might be available to attend that board meeting as well.

Supporting Agriculture- Western Colorado Food Hub- Bryan Wachs

Bryan Wachs provided an overview of what a food hub is and some of the efforts engaged in to create one in Western Colorado. Thus far, efforts have been focused on the Grand Valley but it is easy to envision different processing facilities being constructed throughout the West Slope to provide agricultural producers an expanded market for their food products. The hub and a new software application could also make it possible for local growers to sell directly to restaurants in the area that are focusing on using local food for their businesses. There is a need to do a feasibility study for the creation of the food hub and Bryan is hoping to find a sponsor to approach grant making agencies as well as have other partners, perhaps local governments, help with fund the matching portion of any grant that may be considered. CSU is also being engaged in an effort to assist with funding for a study.

Administrative updates- Bonnie Petersen provided an update on AGNC activities.

- The AGNC ED Summit was successfully completed on September 15, 2017. Attendance was lower than the last two years but those that attended were very attentive. There was a great deal of excitement generated regarding the topics of co-work facilities, the coding school and hemp production. The presentations by Brian Lewandowski and Chris Akers have been in high demand as they provided information people can use. Senator Coram attended and remained most of the day; the event received some positive press from the Craig Daily Press.
- A request was made that if there are conflicts with board schedules for the October 18th meeting that staff be notified as quickly as possible. Right now, the follow-up on the SBDC discussion and an opportunity to discuss issues among members will make up the agenda.
- The November agenda is expected to include Anthony Neal-Graves from OIT to discuss the state's plans around broadband deployment, Senator Don Coram to discuss his broadband measure for the 2018 session and Meghan with Satellite Broadcasting & Communications Association.

In other business, Mary Alice Page-Allen provided an overview of the Oak Creek Mainstreet Revitalization Project. The project has hit the "reset" button for the community as it provided new utilities, sidewalks, storm drains, etc. along Main Street. These upgrades have sparked a number of façade updates for local businesses and is changing the look and feel of Main Street. The contractor for the revitalization did a great job as the work was started a month early and was finished in time for the annual Oak Creek celebration. The project was completed on-time and under budget even though it had to manage through numerous challenges.

New Business: *Next Meeting is on October 18, 2017 at the Colorado Northwestern Community College, 2801 W. 9th Street, Craig, CO.*

Adjournment – Meeting Adjourned at 1:09 pm.

Attendance:

Drew Kramer, Tri-State G&T
John Bristol, Routt County, City of
Steamboat & Steamboat Chamber
Katelin Cook, Rio Blanco County
(via phone)
Amy Provstgaard, Battlement Mesa
Svc. Assoc.
Dave Norman, AAoA of NWCO
Andy Key, Town of Rangely
Don Cook, Moffat County
Jeff Comstock, Moffat County
Keely Winger, Rio Blanco County
(via phone)
Kasey Nispel (via phone)
Patrick Fleming, Town of Glenwood
Springs (via phone)
Duncan McArthur, City of Grand Junction
Mike Foreman, City of Craig
John Justman, Mesa County
Art Riddile, Town of New Castle

Nicole Christianson, Colorado
Lending Source (via phone)
Tim Corrigan, Routt County
Kevin Batchelder, Garfield County
Tim Redman, Town of Hayden
Tiffany Pehl, AGNC
Kealey Campbell, AGNC
Bonnie Petersen, AGNC
Ted Orf, Orf & Orf, PC
Dianna Orf, Orf & Orf, PC
Bryan Wachs, GV Food Hub
Cari Hermacinski, Routt County
Mary Alice Page, Town of Oak
Creek

EXHIBIT A

AGNC REPORT

September 2017

We are busy with travelers changing their plans because of the fires on the West Coast and North of us. They are coming down thru Colorado and spending their vacation in our state.

The week of September 11th thru the 15th we traveled thru the Southcentral region. Colorado Springs and Cripple Creek hosted us. We then traveled to Antonito and was treated to the Cumbres & Toltec train ride. We also stopped in Alamosa and had dinner with the Welcome Center manager and some staff.

Our New sign is up. This Thursday Ducey's electric will do the electrical work. We can then get it programmed.

Reminder the Colorado Governor's Tourism Conference is October 25th thru October 27th. This year's conference will be in Grand Junction at the Two Rivers Convention Center. Information for this is on the Colorado.com web site.

Cheryl McDonald, Manager
Colorado State Welcome Center