



SOUTHWEST COLORADO COUNCIL OF GOVERNMENTS

Regular Meeting Agenda

Friday, 6 November 2015, 1:30pm

1188 E. 2nd Building, Durango, CO 81301

- I. Introductions
- II. Consent Agenda
 - a. October 2015 Minutes
 - b. September 2015 Financials
- III. Discussion Items
 - a. SCAN Policies and Dark Fiber Leasing Discussion
- IV. Decision Items
 - a. DOLA 2015 Technical Assistance Grant Extension
 - b. Contract with CDOT for Broadband Planning Grant Match
 - c. CEBT (Health Insurance) Renewal
 - d. CDOT Transit Council Grant
- V. Reports
 - a. Director's Report
 - b. Broadband Report
 - c. Transportation Report
 - d. VISTA Report (Including Shared Services)
 - e. Community Updates (if time allows)

PO Box 963, Durango, CO 81301
970.779.4592
www.swccog.org



Southwest Colorado Council of Governments
Regular Board Meeting Minutes
Friday, October 2, 2015
1188 E. 2nd Ave., Durango, CO 81301

Board in Attendance:

Dick White – City of Durango
Andrea Phillips – Town of Mancos (via video)
Michael Whiting – Archuleta County
Shane Hale – City of Cortez (via phone)
Ron LeBlanc – City of Durango
Lana Hancock – Town of Dolores
Dan Naiman – Town of Ignacio
John Egan – Town of Pagosa Springs
Michelle Nelson - Town of Bayfield
Chris Tookey – Town of Silverton
William Tookey – San Juan County

Staff in Attendance:

Miriam Gillow-Wiles – SWCCOG Executive Director
Sara Trujillo – SWCCOG Assistant/Accountant
Shannon Cramer – SWCCOG VISTA

Guests:

Karen Iverson – Regional Housing Alliance

I. Call to Order/Introductions

The meeting was called to order by Chairman Dick White at 1:35 pm; everyone introduced themselves.

II. Regional Housing Alliance of La Plata County Presentation

A presentation related to expanding the Homebuyer Assistance Program was given by Karen Iverson, the Executive Director of the La Plata Homes Fund (LPHF). Recently, the La Plata Homes Fund Board created a new initiative to expand the home buyer program regionally. Karen is presenting to local jurisdictions and realtors to see how this new initiative will be received and to see how much interest there would be for communities to participate. Essentially, wages are not keeping up with the cost of housing. With a tight rental market, student loan debt, mortgage insurance premiums, and rising home insurance premiums, saving for a home is difficult. The LPHF does not address the cost of housing but tackles other issues around housing affordability, such as loan assistance by providing capital to underserved markets.

The current home buying assistance program consists of a homebuyer education class, one-on-one counseling, and 2nd mortgage assistance. The LPHF has financially assisted 135 families and created over 330 homeowners. Goals for 2016 include expanding the program

regionally by established MOU/contracts for service, building partnerships with local housing groups (Habitat for Humanity), securing loan capital, and obtaining matching funds from a membership base for grant operations. In order to accomplish these goals, the LPHF will need membership participation from the region's communities and funding to not only meet the needs of assisting families but to meet business projections as funds are needed to increase sustainability. The LPHF would like to diversify their funding sources as currently funds come from state, federal, and money from the Regional Housing Alliance. Additional funding from loan fees, foundations, and local government will help improve the LPHF operations and ensure this non-profit remains operating within the region when grant funds are no longer available.

The towns of Bayfield and Ignacio have previously expressed interest in this creating a membership with the LPHF and Karen asked if other communities would be interested. Michael Whiting stated that housing is a priority of Archuleta County and a housing task/work group is being put together to work on housing issues. Michael invited Karen to come talk to this group.

John Egan asked Karen to come talk to the Pagosa Spring's Town Council as they would be interested in this initiative. John also mentioned the concern over news that a Durango trailer park may be sold, torn down, and condominiums built and sold at a high price. Retaining the affordable housing the region currently has is extremely important and should not be ignored. William Tookey said the Town of Silverton and San Juan County are very interested and have already been talking with Karen.

Lana Hancock, Andrea Phillips, and Shane Hale all requested additional information as they are interested in learning more about the program.

III. 2015 Budget Amendment Hearing

Chairman Dick White officially opened the public hearing for the 2015 budget amendment at 2:07 p.m. The Chairman asked if any member of the public would care to speak to the 2015 budget amendment. No one cared to speak. Chairman Dick White closed the public hearing to the 2015 budget amendment.

IV. 2016 Preliminary Budget Hearing

Chairman Dick White officially opened the public hearing for the 2016 preliminary budget at 2:07 p.m. The Chairman asked if any member of the public would care to speak to the 2016 preliminary budget. No one cared to speak. Chairman Dick White closed the public hearing to the 2016 preliminary budget.

V. Consent Agenda, September 2015 minutes & August 2015 Financials

Chairman Dick White asked for a motion to approve the consent agenda with September minutes and August financials if no further discussion was requested.

Motion to approve the consent agenda: William Tookey, Second: John Egan. Pass by unanimous voice vote.

VI. Discussion Items

There were no discussion items.

VII. Decision Items

2015 Budget Amendment:

Ron LeBlanc asked why the SWCCOG was not involved in the SWIMT (Southwest Incident Management Team) fiscal coordination with the Animas River incident. Miriam said that she spoke with Sherri Dugdale and Drew who is a state coordinator in Crested Butte, and was told the SWIMT did not get called out as a team but individually, so the State intends to pay

the agencies on an individual basis versus using the COG. Some board members are curious whether this was with the intent to circumvent the SWCCOG as a fiscal agency and avoiding the 10% fee paid to the SWCCOG. The Board requested that Miriam gather more information on this item.

Chairman Dick White inquired why account 5571 – Housing Allowance was in the actuals for 2015, but not in the amended budget column. Staff explained the \$3,217.75 includes a \$2,400 housing allowance and \$817.75 rental deposit to assist the VISTA with high housing costs in this area. The \$817.75 rental deposit will be returned back to the SWCCOG, but the \$2,400 does need to be in the amended column making the final net income \$187.35.

Motion to accept the 2015 budget amendment with the \$2,400 housing allowance adjustment made in the amended column: Michael Whiting, Second: Michelle Nelson. Passed by unanimous voice vote.

2016 Preliminary Budget:

Chairman Dick White expressed concern about the significant amount accounted for in the Consultant Account -5640, in the amount of \$246,917. Miriam clarified that the consultant account includes \$17,541 for Lori Johnson (the All-Hazards Grant Coordinator), \$64,376 for the DoLA TA contactors, \$90,000 for the DoLA Downtown Contractor, and \$75,000 for the DoLA Broadband Contractor; all of these amounts add up to the \$246,917. Miriam also pointed out that the preliminary budget includes the Fiber Replacement Fund, the administrative assistant position, and the removal of the 2% COLA. No further questions were asked. The final 2016 budget approval will be conducted at the December board meeting.

Downtown DoLA Grant IGA:

The IGA for the DoLA Downtown Grant between Bayfield, Ignacio, Pagosa Springs, and Silverton involves each community signing a contract with the COG as the grant for the four projects will run through the COG. The contract with DOLA is for work in each community for two years. The contract presented in the board packet is for one year due to timing and the number of people needed to comment on the document. Miriam requested that the Board direct the Executive Director to develop this contract into a two year contract as well as give her signing authority to get this project moving forward. Any significant changes to the contract would need to come back for approval from the COG Board. Shane Hale requested confirmation that the contract numbers in the board packet would double with a two-year contract revision. Miriam confirmed, yes, that the budget would need to be modified with the two year contract revision.

Motion to authorize the Executive Director to develop the contract into a two year contract including budgetary modification with signature authority: Michelle Nelson, Second: John Egan. Passed by unanimous voice vote.

VIII. Reports

Director's Report:

Miriam reported that at a conference last week her email account was hacked; if members receive spam email from her, please delete and not open the email. All measures have been taken to ensure the SWCCOG network and computers are secure.

Miriam reported that she will be on vacation the week of October 5-9. She will check her email sparsely and will have her SWCCOG phone turned off.

Broadband Report:

152 Elections

Miriam reported working closely with the La Plata County Economic Development Alliance

to develop the 152 election flyers provided in the board packet. Each community/county has their own flyer unless the county and town have a joint election. Most flyers will go out to the public in the utility bills. There are print and electronic versions available. Miriam verified with Jeff Wilson, who was involved in writing the Fair Campaign Act, at the last CML conference that Miriam's time spent on this endeavor would be paid for from the dark fiber lease revenues, as this is an appropriate use of those funds according to the Fair Campaign Act although the SWCCOG is not for or against SB152, but simply providing educational tools.

Silverton

Miriam reported working closely with San Juan County, the Town, and the School District to sort through the quagmire of EagleNet, CenturyLink, and open access fiber to the Town. Senator Bennet's office has been involved to help resolve some questions with EagleNet and the NTIA. Hopefully some resolution will be reached soon as it has been a very long time coming.

Michael Whiting mentioned reading an article about a large broadband grant acquired by Century Link to bring high-speed internet to the region; however, the speed at which the contract is for does not qualify as high-speed according to the FCC. Miriam mentioned the possibility of Century Link receiving that grant prior to the FCC determining a definition of what qualifies as high-speed internet.

Transportation Report:

The SWTPR meeting was held just prior to the SWCCOG meeting. An updated report will be provided at the next SWCCOG meeting.

A transit meeting will be held in November to identify 2016 goals. The meeting is tentatively to be held in Mancos. Specific meeting information will be sent out soon.

VISTA Report:

Shannon Cramer has been working diligently on a shared services model that could reduce cost while providing services that were formerly not available in the area. She sent out an email to all community leaders asking for input as to what services are currently lacking. Some communities have responded while others have not. Shannon encouraged those who had not responded yet to please do so as she is not able to proceed without community input as this endeavor is specifically for the communities.

Community Updates:

Dan Naiman reported that the Town of Ignacio has a new Interim Town Manager, Mark Garcia. Farm Fresh will have its grand opening on October 3, 2015 and the foundation is set for the new Family Dollar.

Michael Whiting reported that the Archuleta County Courthouse is a top priority at this time. The building is very old and deteriorating. Some in the community would like the building demolished and a new one erected while others in the community feel preserving the historic building is necessary. An estimate of \$3.2 million was obtained by engineers to preserve the building, however, this would not provide for the necessary additional capacity. In addition, Archuleta County is in need of a new jail that is not on the main tourist thoroughfare. Therefore, two sites - one for county administration and one for the justice center - may be necessary.

Michelle Nelson reported that the Town of Bayfield is working on their water treatment expansion and environmental issues with the bridge replacement.

William Tookey reported that San Juan County just opened its first marijuana growing operation.

Chris Tookey reported that the Town of Silverton just celebrated the 90th birthday of Molas Lake. A deed from 1929 deeding the Lake to the Town signed by Herbert Hoover was unearthed. The train is still running until the end of October, but stores and restaurants are starting to close down for the winter.

John Egan reported that the Town of Pagosa Springs is having some infrastructure issues. The pipeline project is ongoing. The Town is very interested in what Archuleta County is planning to do with the courthouse as it is viewed as one of the most important historical pieces of property in the downtown area. The Town has been very involved with advising the County Commissioners with restoration ideas. The Town will celebrate its 125th anniversary in 2016 with large events throughout the year. The transportation program, Mountain Express Transit, has seen ridership increase significantly with approximately 7,000 passengers in September alone. An application was submitted to apply for new vehicles and a new facility for parking the new vehicles.

Dick White reported that in Durango there are two ballot issues, SB152 and the bonding authority from citizens for new waste water treatment plant. There is major controversy as to where the new waste water treatment plant will be located. Options include a remodel of the current plant at Santa Rita Park or to move the location of the plant. At this point, consultants have found one adequate site that is on private property; however, the owners are unwilling to sell the river front property. In addition, the purchase of new property to build a new plant would increase costs significantly. The utilities commission will meet on Monday. In regards to the major renovation of the airport terminal, the City Council and the County Commissioners have identified a new terminal as the preferred option.

Lana Hancock reported that the Town of Dolores might be getting a Family Dollar. The Town is currently working on the budget in addition to two projects for next year involving the water and sewer plants.

Andrea Phillips reported that the Town of Mancos held an arts and balloon festival last weekend. The Family Dollar is nearing completion. The Town is also finishing up the water system improvement project with pump house and water line updates.

Miriam Gillow-Wiles reported that she submitted the 2016 DoLA TA Grant yesterday to work on transportation, shared services, and recycling; the grant is in the amount of \$100,000.

Adjourned at 2:56pm

Southwest Colorado Council of Governments
Combined Balance Sheet by Class

Accrual Basis

September 2015

	100-General	125-SWIMT	175 - AAA	200-All Hazards	350 - WLC	400 - LCC	500 - RREO	600-TPR	700 - DoLA	900-SCAN	TOTAL
ASSETS											
Current Assets											
Checking/Savings											
1002 - Alpine Bank Unrestricted	72,118.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	72,118.96
1010 - Petty Cash	10.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.07
5109 - Misc Income	-29.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-29.00
Total Checking/Savings	72,100.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	72,100.03
Accounts Receivable											
1200 - Accounts Receivable	3,641.85	0.00	0.00	0.00	0.00	1,140.37	0.00	-5,649.00	17,449.23	-150.00	16,432.45
Total Accounts Receivable	3,641.85	0.00	0.00	0.00	0.00	1,140.37	0.00	-5,649.00	17,449.23	-150.00	16,432.45
Other Current Assets											
1090 - Due To/ Due From	-791.16	3,881.29	-325.04	-1,432.05	6,208.84	-1,807.46	8,587.06	11,398.01	-22,035.35	-3,694.14	0.00
Total Other Current Assets	-791.16	3,881.29	-325.04	-1,432.05	6,208.84	-1,807.46	8,587.06	11,398.01	-22,035.35	-3,694.14	0.00
Total Current Assets	74,950.72	3,881.29	-325.04	-1,432.05	6,208.84	-667.09	8,587.06	5,749.01	-4,586.12	-3,834.14	88,532.48
TOTAL ASSETS	74,950.72	3,881.29	-325.04	-1,432.05	6,208.84	-667.09	8,587.06	5,749.01	-4,586.12	-3,834.14	88,532.48
LIABILITIES & EQUITY											
Current Liabilities											
Credit Cards											
1003 - Alpine Bank Credit Card-Miriam	3,423.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,423.17
1004 - Alpine Bank Credit Card - Sara	-2,611.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-2,611.21
Total Credit Cards	811.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	811.96
Other Current Liabilities											
2210 - Deferred Member Contributions	0.00	0.00	0.00	4,000.00	0.00	0.00	0.00	0.00	0.00	0.00	4,000.00
Total Other Current Liabilities	0.00	0.00	0.00	4,000.00	0.00	0.00	0.00	0.00	0.00	0.00	4,000.00
Total Current Liabilities	811.96	0.00	0.00	4,000.00	0.00	0.00	0.00	0.00	0.00	0.00	4,811.96
Total Liabilities	811.96	0.00	0.00	4,000.00	0.00	0.00	0.00	0.00	0.00	0.00	4,811.96
Equity											
32000 - Retained Earnings	77,707.28	3,329.94	0.00	10,627.55	0.00	0.00	11,172.31	2,396.05	0.00	-9,416.31	95,816.82
Net Income	-3,568.52	551.35	-325.04	-16,132.09	6,208.84	-783.27	8,134.83	3,253.27	-4,658.62	5,582.17	-1,737.08
Total Equity	74,138.76	3,881.29	-325.04	-5,504.54	6,208.84	-783.27	19,307.14	5,649.32	-4,658.62	-3,834.14	94,079.74
TOTAL LIABILITIES & EQUITY	74,950.72	3,881.29	-325.04	-1,504.54	6,208.84	-783.27	19,307.14	5,649.32	-4,658.62	-3,834.14	98,891.70

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Southwest Colorado Council of Governments
 Profit & Loss by Class
 January through September 2015

	100-General	125-SWIMT	175 -AAA	200-All Hazards	380 - WLC	400 - LCC	500 - RREO	600-TPR	700 -DoLA	900-SCAN	TOTAL
Income											
3000 - Match - IT DoLA 7645	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-1,694.15	0.00	-1,694.15
3500 - WLC Grant	0.00	0.00	0.00	0.00	10,000.00	0.00	0.00	0.00	0.00	0.00	10,000.00
4004 - SWIMT Rev	0.00	551.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	551.35
4005 - Ethics	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4005 - Dues Revenue	114,712.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	114,712.00
4008 - Telecom Services Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4009 - Fiber Lease Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4012 - TPR Data Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4010 - Grant-CBOT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4010 - Grant-Treash	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4041 - All Hazards Grant	0.00	0.00	0.00	183,856.71	0.00	0.00	0.00	0.00	0.00	0.00	183,856.71
4043 - DoLA Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15,765.08	0.00	15,765.08
4957 - RREO Grant	0.00	0.00	0.00	0.00	0.00	0.00	31,924.35	0.00	0.00	0.00	31,924.35
Total Income	114,712.00	551.35	0.00	183,856.71	10,000.00	7,468.34	31,924.35	18,994.27	14,090.93	27,325.00	408,912.95
Gross Profit	114,712.00	551.35	0.00	183,856.71	10,000.00	7,468.34	31,924.35	18,994.27	14,090.93	27,325.00	408,912.95
Expense											
5009 - Bookkeeper	80.00	0.00	0.00	106.24	0.00	106.23	0.00	106.23	26.25	0.00	424.95
5200 - All Hazard Project	0.00	0.00	0.00	192,596.24	0.00	0.00	0.00	0.00	0.00	0.00	192,596.24
5401 - Software Maintenance (E-Trc)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5403 - Fiber Leasing Expe.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5410 - Rent	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
5505 - Bank Fees	150.14	0.00	0.00	146.21	0.00	0.00	0.00	0.00	0.00	0.00	300.35
5510 - Travel Exp	3,270.05	0.00	0.00	0.00	0.00	0.00	1,116.53	10,603.95	0.00	0.00	16,096.15
5512 - Meeting Exp	2,004.30	0.00	0.00	0.00	0.00	0.00	550.04	152.82	10.00	0.00	3,763.87
5514 - Professional Fees.	33.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	33.44
5515 - Legal Fees	2,337.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,337.09
5517 - Data Back Up Exp	750.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	750.00
5520 - Advertising	272.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	105.00	0.00	377.19
5521 - Telephone/WebSite/Internet	1,643.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	780.00	0.00	2,423.91
5523 - Payroll Processing Fees	1,102.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,102.08
5525 - Audit	6,250.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,250.00
5526 - Internet Connectivity (100 MB)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5527 - Internet & software	295.00	0.00	0.00	64.00	0.00	64.00	0.00	0.00	0.00	0.00	359.00
5532 - Postage	50.28	0.00	0.00	15.88	18.89	0.00	0.00	108.50	19.50	0.00	232.95
5535 - Printing/Reproduction	51.70	0.00	0.00	0.00	0.00	0.00	0.00	17.48	28.05	0.00	97.23
5540 - Membership/Sub	825.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	825.00
5545 - Office Equipment/Computers	227.40	0.00	0.00	3,481.37	0.00	0.00	0.00	0.00	1,100.58	0.00	5,189.35
5546 - Equipment Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5550 - Supplies	793.61	0.00	0.00	122.30	0.00	0.00	0.00	914.71	0.00	0.00	1,720.62
5555 - Liability Insurance	2,083.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,083.00
5558 - Insurance - Health	19,144.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19,144.00
5570 - Car Allowance/Mileage	2,700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,700.00
5571 - Housing Allowance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5580 - Salary & Wages	6,704.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6,704.23
5585 - Payroll Tax Expense	2,339.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,339.82
5586 - Retirement Exp	63,578.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	63,578.30
5590 - Salary & Wages - Other	0.00	0.00	313.81	0.00	2,775.85	4,997.94	1,701.23	3,827.61	2,818.69	0.00	83,170.19
Total 5580 - Salary & Wages	72,622.35	0.00	313.81	3,456.76	2,775.85	4,997.94	1,701.23	3,827.61	2,818.69	0.00	92,214.24
5567 - Worker's Compensation	1,584.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.75	0.00	1,586.75
5640 - Consulting	0.00	0.00	0.00	0.00	0.00	170.50	12,384.47	0.00	10,142.50	0.00	22,707.47
5644 - AmeriCorp Member	0.00	0.00	0.00	0.00	0.00	0.00	7,350.00	0.00	470.00	0.00	8,000.00
Total Expense	118,280.52	0.00	-326.04	-16,132.09	6,208.84	-7,833.27	8,134.83	15,241.00	16,279.55	21,742.83	410,650.03
Net Income	-3,568.52	551.35	-326.04	-16,132.09	6,208.84	-7,833.27	8,134.83	3,263.27	-4,658.62	5,652.17	-1,737.08

Southwest Colorado Council of Governments
Profit & Loss Budget vs. Actual
January through September 2015

	100-General				125-SWIMT			
	Jan - Sep 15	Budget	\$ Over Budget	% of Budget	Jan - Sep 15	Budget	\$ Over Budget	% of Budget
Income								
3000 · Match - IT DoLA 7645	0.00				0.00			
3500 · WILC Grant	0.00				0.00			
4004 · SWIMT Rev	0.00				551.35	551.00	0.35	100.1%
4005 · E-tics	0.00				0.00			
4006 · Dues Revenue	114,712.00	114,712.00	0.00	100.0%	0.00			
4008 · Telecom Services Revenue	0.00				0.00			
4009 · Fiber Lease Revenue	0.00				0.00			
4011 · AAA revenue	0.00				0.00			
4012 · TPR Dues revenue	0.00				0.00			
4030 · Grant-CDOT	0.00				0.00			
4040 · Grant-Transit	0.00				0.00			
4041 · All Hazards Grant	0.00				0.00			
4043 · DoLA Grants	0.00				0.00			
4957 · RREO Grant	0.00				0.00			
Total Income	114,712.00	114,712.00	0.00	100.0%	551.35	551.00	0.35	100.1%
Gross Profit	114,712.00	114,712.00	0.00	100.0%	551.35	551.00	0.35	100.1%
Expense								
5009 · Bookkeeper	80.00	50.00	30.00	160.0%	0.00			
5200 · All Hazard Project	0.00				0.00			
5401 · Software Maintenance (E-Tic)	0.00				0.00			
5403 · Fiber Leasing Expe.	0.00				0.00			
5410 · Rent	1.00	81.00	-80.00	1.2%	0.00			
5505 · Bank Fees	150.14	150.00	0.14	100.1%	0.00			
5510 · Travel Exp	3,270.05	4,000.00	-729.95	81.8%	0.00			
5512 · Meeting Exp	2,004.30	2,040.00	-35.70	98.3%	0.00			
5514 · Professional Fees.	33.44	35.00	-1.56	95.5%	0.00			
5515 · Legal Fees	2,337.09	3,000.00	-662.91	77.9%	0.00			
5517 · Data Back Up Exp	750.00	750.00	0.00	100.0%	0.00			
5520 · Advertising	272.19	650.00	-377.81	41.9%	0.00			
5521 · Telephone/Website/Internet	1,643.91	2,220.00	-576.09	74.1%	0.00			
5523 · Payroll Processing Fees	1,102.08	1,550.00	-447.92	71.1%	0.00			
5525 · Audit	6,250.00	6,250.00	0.00	100.0%	0.00			
5526 · Internet Connectivity (100 Mb)	0.00				0.00			
5527 · Internet & software	295.00	215.00	80.00	137.2%	0.00			
5532 · Postage	50.26	55.00	-4.74	91.4%	0.00			
5535 · Printing/Reproduction	51.70	52.00	-0.30	99.4%	0.00			
5540 · Membership/Sub	825.00	1,150.00	-325.00	71.7%	0.00			
5545 · Office Equipment/Computers	227.40	230.00	-2.60	98.9%	0.00			
5546 · Equipment Expense	0.00				0.00			
5550 · Supplies	793.61	1,066.00	-272.39	74.4%	0.00			
5555 · Liability Insurance	2,083.00	2,083.00	0.00	100.0%	0.00			
5558 · Insurance-Health	19,144.00	28,716.00	-9,572.00	66.7%	0.00			
5570 · Car Allowance/Mileage	2,700.00	3,600.00	-900.00	75.0%	0.00			
5571 · Housing allowance	0.00	0.00	0.00	0.0%	0.00			
5580 · Salary & Wages								
5585 · Payroll Tax Expense	6,704.23	10,375.00	-3,670.77	64.6%	0.00			
5586 · Retirement Exp	2,339.82	3,250.00	-910.18	72.0%	0.00			
5580 · Salary & Wages - Other	63,578.30	90,640.00	-27,061.70	70.1%	0.00			
Total 5580 · Salary & Wages	72,622.35	104,265.00	-31,642.65	69.7%	0.00	0.00	0.00	0.0%
5587 · Worker's Compensation	1,594.00	1,597.00	-3.00	99.8%	0.00			
5640 · Consulting	0.00				0.00			
5644 · AmeriCorp Member	0.00				0.00			
5649 · Transit Study Expense	0.00				0.00			
5649 · IT Consultant Expense	0.00				0.00			
Total Expense	118,280.52	163,805.00	-45,524.48	72.2%	0.00	0.00	0.00	0.0%
Net Income	-3,568.52	-49,093.00	45,524.48	7.3%	551.35	551.00	0.35	100.1%

Southwest Colorado Council of Governments
Profit & Loss Budget vs. Actual
January through September 2015

	Jan - Sep 15	Budget	\$ Over Budget	% of Budget	Jan - Sep 15	Budget	\$ Over Budget	% of Budget
Income								
3000 - Match - IT DoLA 7645	0.00				0.00			
3500 - WLC Grant	0.00				0.00			
4004 - SWMINT Rev	0.00				0.00			
4005 - E-tics	0.00				0.00			
4006 - Dues Revenue	0.00				0.00			
4008 - Telecom Services Revenue	0.00				0.00			
4009 - Fiber Lease Revenue	0.00				0.00			
4011 - AAA revenue	0.00	3,500.00	-3,500.00	0.0%	0.00			
4012 - TPR Dues revenue	0.00				0.00			
4030 - Grant-CDOT	0.00				0.00			
4040 - Grant-Transit	0.00				0.00			
4041 - All Hazards Grant	0.00				0.00			
4043 - DoLA Grants	0.00				183,856.71	221,000.00	-37,143.29	83.2%
4957 - RREO Grant	0.00				0.00			
Total Income	0.00	3,500.00	-3,500.00	0.0%	183,856.71	221,000.00	-37,143.29	83.2%
Gross Profit	0.00	3,500.00	-3,500.00	0.0%	183,856.71	221,000.00	-37,143.29	83.2%
Expense								
5009 - Bookkeeper	0.00				106.24	50.00	56.24	212.5%
5200 - All Hazard Project	0.00				192,596.24	190,000.00	2,596.24	101.4%
5401 - Software Maintenance (E-Tic)	0.00				0.00			
5403 - Fiber Leasing Expe.	0.00				0.00			
5410 - Rent	0.00				0.00			
5505 - Bank Fees	0.00				0.00			
5510 - Travel Exp	0.00				146.21	0.00	146.21	100.0%
5512 - Meeting Exp	0.00	15.00	-15.00	0.0%	0.00			
5514 - Professional Fees.	11.23		11.23	74.9%	0.00			
5515 - Legal Fees	0.00				0.00			
5517 - Data Back Up Exp	0.00				0.00			
5520 - Advertising	0.00				0.00			
5521 - Telephone/Website/Internet	0.00				0.00			
5523 - Payroll Processing Fees	0.00				0.00			
5525 - Audit	0.00				0.00			
5526 - Internet Connectivity (100 Mlb)	0.00				0.00			
5527 - Internet & software	0.00				0.00			
5532 - Postage	0.00				64.00	65.00	-1.00	98.5%
5535 - Printing/Reproduction	0.00				15.68	20.00	-4.32	78.4%
5540 - Membership/Sub	0.00				0.00			
5545 - Office Equipment/Computers	0.00				3,481.37	3,000.00	481.37	116.0%
5546 - Equipment Expense	0.00				0.00			
5550 - Supplies	0.00				122.30	125.00	-2.70	97.8%
5555 - Liability Insurance	0.00				0.00			
5558 - Insurance - Health	0.00				0.00			
5570 - Car Allowance/Mileage	0.00				0.00			
5571 - Housing allowance	0.00				0.00			
5580 - Salary & Wages	0.00				0.00			
5585 - Payroll Tax Expense	0.00				0.00			
5586 - Retirement Exp	0.00				0.00			
5580 - Salary & Wages - Other	313.81	2,000.00	-1,686.19	15.7%	3,456.76	6,000.00	-2,543.24	57.6%
Total 5580 - Salary & Wages	313.81	2,000.00	-1,686.19	15.7%	3,456.76	6,000.00	-2,543.24	57.6%
5587 - Worker's Compensation	0.00				0.00			
5640 - Consulting	0.00				0.00			
5644 - AmeriCorp Member	0.00				0.00	0.00	0.00	0.0%
5648 - Transit Study Expense	0.00				0.00			
5649 - IT Consultant Expense	0.00				0.00			
Total Expense	325.04	2,015.00	-1,689.96	16.1%	199,988.80	199,260.00	728.80	100.4%
Net Income	-325.04	1,485.00	-1,810.04	-21.9%	-16,132.09	21,740.00	-37,872.09	-74.2%

Southwest Colorado Council of Governments
Profit & Loss Budget vs. Actual
January through September 2015

	350 - WLC				400 - LCC			
	Jan - Sep 15	Budget	\$ Over Budget	% of Budget	Jan - Sep 15	Budget	\$ Over Budget	% of Budget
Income								
3000 · Match - IT DoLA 7645	0.00				0.00			
3500 · WLC Grant	10,000.00	10,000.00	0.00	100.0%	0.00			
4004 · SWMINT Rev	0.00				0.00			
4005 · Ethics	0.00				0.00			
4006 · Dues Revenue	0.00				0.00			
4008 · Telecom Services Revenue	0.00				0.00			
4009 · Fiber Lease Revenue	0.00				0.00			
4011 · AAA revenue	0.00				0.00			
4012 · TPR Dues revenue	0.00				0.00			
4030 · Grant-CDOT	0.00				0.00			
4040 · Grant-Transit	0.00				7,468.34	24,800.00	-17,331.66	30.1%
4041 · All Hazards Grant	0.00				0.00			
4043 · DoLA Grants	0.00				0.00			
4957 · RREO Grant	0.00				0.00			
Total Income	10,000.00	10,000.00	0.00	100.0%	7,468.34	24,800.00	-17,331.66	30.1%
Gross Profit	10,000.00	10,000.00	0.00	100.0%	7,468.34	24,800.00	-17,331.66	30.1%
Expense								
5009 · Bookkeeper	0.00				106.23	50.00	56.23	212.5%
5200 · All Hazard Project	0.00				0.00			
5401 · Software Maintenance (E-Tic)	0.00				0.00			
5403 · Fiber Leasing Expe.	0.00				0.00			
5410 · Rent	0.00				0.00			
5505 · Bank Fees	0.00				0.00			
5510 · Travel Exp	0.00				899.41	0.00	899.41	100.0%
5512 · Meeting Exp	995.62	1,000.00	-4.38	99.6%	36.76	50.00	-13.24	73.5%
5514 · Professional Fees.	0.00				0.00			
5515 · Legal Fees	0.00				0.00			
5517 · Data Back Up Exp	0.00				0.00			
5520 · Advertising	0.00				0.00			
5521 · Telephone/Website/Internet	0.00				0.00			
5523 · Payroll Processing Fees	0.00				0.00			
5525 · Audit	0.00				0.00			
5526 · Internet Connectivity (100 Mb)	0.00				0.00			
5527 · Internet & software	0.00				64.00	65.00	-1.00	98.5%
5532 · Postage	19.69	20.00	-0.31	98.5%	0.00			
5535 · Printing/Reproduction	0.00				17.48	20.00	-2.52	87.4%
5540 · Membership/Sub	0.00				0.00			
5545 · Office Equipment/Computers	0.00				2,103.01	2,000.00	103.01	105.2%
5546 · Equipment Expense	0.00				90.48	66.00	24.48	136.3%
5550 · Supplies	0.00				65.80		65.80	
5555 · Liability Insurance	0.00				0.00			
5558 · Insurance- Health	0.00				0.00			
5570 · Car Allowance/Mileage	0.00				0.00			
5571 · Housing allowance	0.00				0.00			
5580 · Salary & Wages	0.00				0.00			
5585 · Payroll Tax Expense	0.00				0.00			
5586 · Retirement Exp	0.00				0.00			
5580 · Salary & Wages - Other	2,775.85	3,000.00	-224.15	92.5%	4,697.94	7,000.00	-2,302.06	67.1%
Total 5580 · Salary & Wages	2,775.85	3,000.00	-224.15	92.5%	4,697.94	7,000.00	-2,302.06	67.1%
5587 · Worker's Compensation	0.00				0.00			
5640 · Consulting	0.00				170.50	700.00	-529.50	24.4%
5644 · AmeriCorp Member	0.00				0.00			
5648 · Transit Study Expense	0.00				0.00			
5649 · IT Consultant Expense	0.00				0.00			
Total Expense	3,791.16	4,020.00	-228.84	94.3%	8,251.61	9,951.00	-1,699.39	82.9%
Net Income	6,208.84	5,980.00	228.84	103.8%	-793.27	14,849.00	-15,632.27	-5.3%

Southwest Colorado Council of Governments
Profit & Loss Budget vs. Actual
January through September 2015

	500 - RREO				600-TPR			
	Jan - Sep 15	Budget	\$ Over Budget	% of Budget	Jan - Sep 15	Budget	\$ Over Budget	% of Budget
Income								
3000 - Match - IT DoLA 7645	0.00				0.00			
3500 - WLC Grant	0.00				0.00			
4004 - SWMINT Rev	0.00				0.00			
4005 - E-tics	0.00				0.00			
4006 - Dues Revenue	0.00				0.00			
4008 - Telecom Services Revenue	0.00				0.00			
4009 - Fiber Lease Revenue	0.00				0.00			
4011 - AAA revenue	0.00				0.00			
4012 - TPR Dues revenue	0.00				3,313.42	7,679.00	-4,365.58	43.1%
4030 - Grant-CDOT	0.00				15,690.85	21,100.00	-5,419.15	74.3%
4040 - Grant-Transit	0.00				0.00			
4041 - All Hazards Grant	0.00				0.00			
4043 - DoLA Grants	0.00				0.00			
4957 - RREO Grant	31,924.35	31,924.00	0.35	100.0%	0.00			
Total Income	31,924.35	31,924.00	0.35	100.0%	18,994.27	28,779.00	-9,784.73	66.0%
Gross Profit	31,924.35	31,924.00	0.35	100.0%	18,994.27	28,779.00	-9,784.73	66.0%
Expense								
5009 - Bookkeeper	0.00				106.23	50.00	56.23	212.5%
5200 - All Hazard Project	0.00				0.00			
5401 - Software Maintenance (E-Tic)	0.00				0.00			
5403 - Fiber Leasing Expe.	0.00				0.00			
5410 - Rent	0.00				0.00			
5505 - Bank Fees	0.00				0.00			
5510 - Travel Exp	1,116.53	0.00	1,116.53	100.0%	10,603.95	13,500.00	-2,896.05	78.5%
5512 - Meeting Exp	550.04	550.00	0.04	100.0%	152.82	180.00	-27.18	95.5%
5514 - Professional Fees.	0.00				0.00			
5515 - Legal Fees	0.00				0.00			
5517 - Data Back Up Exp	0.00				0.00			
5520 - Advertising	0.00				0.00			
5521 - Telephone/Website/Internet	0.00				0.00			
5523 - Payroll Processing Fees	0.00				0.00			
5525 - Audit	0.00				0.00			
5526 - Internet Connectivity (100 Mb)	0.00				0.00			
5527 - Internet & software	0.00				108.50	110.00	-1.50	98.6%
5532 - Postage	0.00				0.00			
5535 - Printing/Reproduction	0.00				17.48	20.00	-2.52	87.4%
5540 - Membership/Sub	0.00				0.00			
5545 - Office Equipment/Computers	464.27	464.00	0.27	100.1%	914.71	500.00	414.71	182.9%
5546 - Equipment Expense	0.00				0.00			
5550 - Supplies	32.98	33.00	-0.02	99.9%	9.70	10.00	-0.30	97.0%
5555 - Liability Insurance	0.00				0.00			
5558 - Insurance- Health	0.00				0.00			
5570 - Car Allowance/Mileage	0.00				0.00			
5571 - Housing allowance	0.00				0.00			
5580 - Salary & Wages	0.00				0.00			
5585 - Payroll Tax Expense	0.00				0.00			
5586 - Retirement Exp	0.00				0.00			
5589 - Salary & Wages - Other	1,701.23	1,701.00	0.23	100.0%	3,827.61	6,000.00	-2,172.39	63.8%
Total 5580 - Salary & Wages	1,701.23	1,701.00	0.23	100.0%	3,827.61	6,000.00	-2,172.39	63.8%
5587 - Worker's Compensation	0.00				0.00			
5640 - Consulting	12,394.47	12,394.00	0.47	100.0%	0.00			
5644 - AmeriCorp Member	7,530.00	7,530.00	0.00	100.0%	0.00			
5648 - Transit Study Expense	0.00				0.00			
5649 - IT Consultant Expense	0.00				0.00			
Total Expense	23,789.52	22,672.00	1,117.52	104.9%	15,741.00	20,350.00	-4,609.00	77.4%
Net Income	8,134.83	9,252.00	-1,117.17	87.9%	3,253.27	8,429.00	-5,175.73	38.6%

Southwest Colorado Council of Governments
Profit & Loss Budget vs. Actual
January through September 2015

	700 - DoLA				900-SCAN			
	Jan - Sep 15	Budget	\$ Over Budget	% of Budget	Jan - Sep 15	Budget	\$ Over Budget	% of Budget
Income								
3000 · Match - IT DoLA 7645	-1,684.15				0.00			
3500 · WLC Grant	0.00				0.00			
4004 · SWMT Rev	0.00				0.00			
4005 · E-tics	0.00				8,400.00	8,400.00	0.00	100.0%
4006 · Dues Revenue	0.00				0.00			
4008 · Telecom Services Revenue	0.00				6,210.00	8,280.00	-2,070.00	75.0%
4009 · Fiber Lease Revenue	0.00				12,715.00	17,735.00	-5,020.00	71.7%
4011 · AAA revenue	0.00				0.00			
4012 · TPR Dues revenue	0.00				0.00			
4030 · Grant-CDOT	0.00				0.00			
4040 · Grant-Transit	0.00				0.00			
4041 · All Hazards Grant	0.00				0.00			
4043 · DoLA Grants	15,765.08	89,000.00	-73,234.92	17.7%	0.00			
4957 · RREO Grant	0.00				0.00			
Total Income	14,080.93	89,000.00	-74,919.07	15.8%	27,325.00	34,415.00	-7,090.00	79.4%
Gross Profit	14,080.93	89,000.00	-74,919.07	15.8%	27,325.00	34,415.00	-7,090.00	79.4%
Expense								
5009 · Bookkeeper	26.25	50.00	-23.75	52.5%	0.00			
5200 · All Hazard Project	0.00				0.00			
5401 · Software Maintenance (E-Tic)	0.00				7,000.00	8,400.00	-1,400.00	83.3%
5403 · Fiber Leasing Expe.	0.00				5,197.50	13,301.00	-8,103.50	39.1%
5410 · Rent	0.00				0.00			
5505 · Bank Fees	0.00				0.00			
5510 · Travel Exp	0.00				0.00			
5512 · Meeting Exp	10.00	100.00	-90.00	10.0%	0.00	100.00	-85.67	14.3%
5514 · Professional Fees.	0.00				0.00			
5515 · Legal Fees	0.00				0.00			
5517 · Data Back Up Exp	0.00				0.00			
5520 · Advertising	105.00	150.00	-45.00	70.0%	0.00			
5521 · Telephone/Website/Internet	780.00	780.00	0.00	100.0%	0.00			
5523 · Payroll Processing Fees	0.00				0.00			
5525 · Audit	0.00				0.00			
5526 · Internet Connectivity (100 Mb)	0.00				9,000.00	11,700.00	-2,700.00	76.9%
5527 · Internet & software	19.50	20.00	-0.50	97.5%	0.00			
5532 · Postage	29.05	30.00	-0.95	96.8%	0.00			
5535 · Printing/Reproduction	17.48	20.00	-2.52	87.4%	531.00	688.00	-157.00	77.2%
5540 · Membership/Sub	0.00				0.00			
5545 · Office Equipment/Computers	1,100.58	806.00	294.58	136.5%	0.00			
5546 · Equipment Expense	0.00				0.00			
5550 · Supplies	0.00				0.00			
5555 · Liability Insurance	0.00				0.00			
5558 · Insurance- Health	0.00				0.00			
5570 · Car Allowance/Mileage	0.00				0.00			
5571 · Housing allowance	0.00				0.00			
5580 · Salary & Wages	3,217.75	3,278.00	-60.25	98.2%	0.00			
5585 · Payroll Tax Expense	0.00				0.00			
5588 · Retirement Exp	0.00				0.00			
5580 · Salary & Wages - Other	2,818.69	5,000.00	-2,181.31	56.4%	0.00			
Total 5580 - Salary & Wages	2,818.69	5,000.00	-2,181.31	56.4%	0.00	34,189.00	-12,446.17	63.6%
5587 · Worker's Compensation	2.75	16,905.00	-6,762.50	60.0%	0.00			
5640 · Consulting	10,142.50	2,970.00	-2,500.00	15.8%	0.00			
5644 · AmeriCorp Member	470.00	10,000.00	-10,000.00	0.0%	0.00			
5648 · Transit Study Expense	0.00	63,000.00	-63,000.00	0.0%	0.00			
5649 · IT Consultant Expense	0.00	103,109.00	-84,369.45	18.2%	21,742.83	226.00	5,356.17	2,470.0%
Total Expense	18,739.55	103,109.00	-84,369.45	18.2%	21,742.83	34,189.00	-12,446.17	63.6%
Net Income	-4,558.62	-14,109.00	9,450.38	33.0%	5,582.17	226.00	5,356.17	2,470.0%

Southwest Colorado Council of Governments
Profit & Loss Budget vs. Actual
January through September 2015

	Jan - Sep 15	Budget	\$ Over Budget	% of Budget
TOTAL				
Income				
3000 · Match - IT DOLA 7645	-1,684.15	0.00	-1,684.15	100.0%
3500 · WLC Grant	10,000.00	10,000.00	0.00	100.0%
4004 · SWIM/T Rev	551.35	551.00	0.35	100.1%
4005 · E-tics	8,400.00	8,400.00	0.00	100.0%
4006 · Dues Revenue	114,712.00	114,712.00	0.00	100.0%
4008 · Telecom Services Revenue	6,210.00	8,280.00	-2,070.00	75.0%
4009 · Fiber Lease Revenue	12,715.00	17,735.00	-5,020.00	71.7%
4011 · AAA revenue	0.00	3,500.00	-3,500.00	0.0%
4012 · TPR Dues revenue	3,313.42	7,679.00	-4,365.58	43.1%
4030 · Grant-COOT	15,680.85	21,100.00	-5,419.15	74.3%
4040 · Grant-Transit	7,468.34	24,800.00	-17,331.66	30.1%
4041 · All Hazards Grant	183,856.71	221,000.00	-37,143.29	83.2%
4043 · DOLA Grants	15,765.08	89,000.00	-73,234.92	17.7%
4957 · RREO Grant	31,924.35	31,924.00	0.35	100.0%
Total Income	408,912.95	558,681.00	-149,768.05	73.2%
Gross Profit	408,912.95	558,681.00	-149,768.05	73.2%
Expense				
5009 · Bookkeeper	424.95	250.00	174.95	170.0%
5200 · All Hazard Project	192,596.24	190,000.00	2,596.24	101.4%
5401 · Software Maintenance (E-Tic)	7,000.00	8,400.00	-1,400.00	83.3%
5403 · Fiber Leasing Expe.	5,197.50	13,301.00	-8,103.50	39.1%
5410 · Rent	1.00	81.00	-80.00	1.2%
5505 · Bank Fees	150.14	150.00	0.14	100.1%
5510 · Travel Exp	16,036.15	17,500.00	-1,463.85	91.6%
5512 · Meeting Exp	3,783.87	4,000.00	-236.13	94.1%
5514 · Professional Fees.	44.67	50.00	-5.33	89.3%
5515 · Legal Fees	2,337.09	3,000.00	-662.91	77.9%
5517 · Data Back Up Exp	750.00	750.00	0.00	100.0%
5520 · Advertising	377.19	800.00	-422.81	47.1%
5521 · Telephone/Website/Internet	2,423.91	3,000.00	-576.09	80.8%
5523 · Payroll Processing Fees	1,102.08	1,550.00	-447.92	71.1%
5525 · Audit	6,250.00	6,250.00	0.00	100.0%
5526 · Internet Connectivity (100 Mb)	9,000.00	11,700.00	-2,700.00	76.9%
5527 · Internet & software	551.00	475.00	76.00	116.0%
5532 · Postage	114.68	125.00	-10.32	91.7%
5535 · Printing/Reproduction	635.14	800.00	-164.86	79.4%
5540 · Membership/Sub	825.00	1,150.00	-325.00	71.7%
5545 · Office Equipment/Computers	8,291.34	7,000.00	1,291.34	118.4%
5546 · Equipment Expense	90.48	0.00	90.48	100.0%
5550 · Supplies	1,024.39	1,300.00	-275.61	78.8%
5555 · Liability Insurance	2,083.00	2,083.00	0.00	100.0%
5558 · Insurance- Health	19,144.00	28,716.00	-9,572.00	66.7%
5570 · Car Allowance/Mileage	2,700.00	3,600.00	-900.00	75.0%
5571 · Housing allowance	3,217.75	3,278.00	-60.25	98.2%
5580 · Salary & Wages				
5585 · Payroll Tax Expense	6,704.23	10,375.00	-3,670.77	64.6%
5586 · Retirement Exp	2,339.82	3,250.00	-910.18	72.0%
5580 · Salary & Wages - Other	83,170.19	121,341.00	-38,170.81	68.5%
Total 5580 - Salary & Wages	92,214.24	134,966.00	-42,751.76	68.3%
5587 · Worker's Compensation	1,596.75	1,597.00	-0.25	100.0%
5640 · Consulting	22,707.47	29,999.00	-7,291.53	75.7%
5644 · AmeriCorp Member	8,000.00	10,500.00	-2,500.00	76.2%
5648 · Transit Study Expense	0.00	10,000.00	-10,000.00	0.0%
5649 · IT Consultant Expense	0.00	63,000.00	-63,000.00	0.0%
Total Expense	410,650.03	559,371.00	-148,720.97	73.4%
Net Income	-1,737.08	-690.00	-1,047.08	251.8%

SCAN Policies – Dark Fiber Leasing

To: SWCCOG Board of Directors
From: Miriam Gillow-Wiles
Date: 6 Nov 2015

Comments: The Dark Fiber Leasing MOU was initially brought to the Board in January 2015 (see attached memo). During that discussion there was a significant amount of discussion about what this meant for the communities and the COG. At the time it was tabled for the members to take back to their respective Boards/Councils and to come back for a decision. I am not sure if it went before the elected bodies, or if it was just dropped by members. This item was put back on the agenda in August 2015. At that time the Board decided to wait until the Broadband Planning process could shed some more light on the topic. However, with 7 communities and counties opting out of SB05-152 the need to resolve the dark fiber leasing has become quite important.

Paul Reconzone shared the files OHlvey had on the SCAN, which has helped with finding information regarding the Dark Fiber Leasing, or revenue sharing as it is referred to in early documents. There are a number of documents missing to time and/or misplacement. As we have discussed several times before the revenue sharing split has changed over the years. The condensed history is as such:

- 2011 – A Dark Fiber Lease was presented and approved with 75% to the COG, 25% to the member jurisdiction. There was discussion about this being for one year and then revisited to see the SCAN's revenue status.
- Spring 2013 – Policies were put into place for a 5% to COG, and 95% to the member jurisdiction.
- October 2013 - A check to the City of Durango for \$7470 with the reference line of "2013 Agreement" and a memo line of "Dark Fiber Billing for FY 2013 75%/25% split- Based on COG agreement". The SWCCOG has continued remitting 75% to the City for the last two years.
- December 2014 – SCAN policies adopted.

The following documents are attached:

- 1) Cost and Revenue Sharing Models – 2010
 - 2) Mission and Vision – 2011
 - 3) SCAN FAQ – 2011
 - 4) SCAN Policies Resolution 11-04 – March 2011
 - 5) SWCCOG Board Meeting Minutes – March 2011
 - 6) SCAN Policies Objectives – 2011
 - 7) SCAN Operations and Management Overview – May 2011
 - 8) Administrative and Program Support – August 2011
 - 9) Telecom Committee Minutes – November 2011
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SCAN Policies – Dark Fiber Leasing

- 10) Dark Fiber Lease Discussion – November 2011
 - 11) SWCCOG Board Meeting Minutes – November 2011
 - 12) Telecommunications Policy March 2013
 - 13) Final Resolution for Telecom March 2013
 - Includes Dark Fiber Leasing shared revenue at 5%
 - 14) SCAN Policies December 2014
 - Adopted in December 2014
 - Was reviewed by Cortez, Durango, and La Plata IT Departments and deemed acceptable at that point in time
 - Changed Dark Fiber Leasing shared revenue to 25-75 split to fit with actual practice – it has never been invoiced at 5-95 split in QuickBooks.
 - 15) Dark Fiber MOU
 - Is still a draft form, as it has not been adopted by the SWCCOG
 - 16) SWCCOG Board Meeting Minutes – January 2015
 - 17) Spreadsheet of Opt Out Election Expenditures
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COST AND REVENUE SHARING MODELS – 14 Dec 2010

The Southwest Colorado Council of Governments Southwest Colorado Access Network (SCAN) will bring significant benefits to the region. Some of these benefits include greater bandwidth at lower prices for anchor tenants, cost savings through shared information technology services, application savings through “cloud” computing, greater access to education and public safety resources, potential economic development and many others. Among the benefits may be some new revenue.

Regardless of whether COG members realize only cost savings or if their economic benefit is both cost savings and new revenue, the members must decide how they will share the costs to manage and maintain the network, what type of subscription model to apply to the members and anchor institutions, and how any excess revenues will be distributed.

Cost Sharing

Sustainability requires that, at a minimum, revenues cover costs for managing and maintaining the network and for covering any taxes, fees, and other expenses incurred by the network. Costs can be divided and billed back to the members retroactively at sustainable levels (a cooperative model) or can be projected and billed in advance with any excesses being returned to the members (a business model).

Cooperative Model

In the cooperative model, the network owner/manager will incur costs and bill costs back to members according to the selected subscription model. In the cooperative model, the network owner/manager will never generate profit from members. The only profit opportunity comes from potential revenues generated by the sale of excess capacity.

The mechanics of the cooperative model may require establishment of a fund the network owner/manager can draw from and replenish via billing.

The cooperative model concedes, in principle, that the majority of the financial benefit of the project will be cost avoidance and indirect revenue. As member costs vary based on incurred expenses, the cooperative model suggests that the membership is very active in the decision making processes associated with network operations and management.

Business Model

In the business model, the network owner/manager behaves more like a traditional network service provider. The network owner/manager sets fees to be divided according to the selected subscription model and bills those fees on a regular basis. The network owner/manager then uses these revenues to manage and maintain the network. Because the network owner/manager is basing fees on projected costs, the network owner/manager will likely have to build a “cushion” into the billing. This should create some excess revenue from the members that can be distributed back to them.

If the members believe significant direct revenue potential exists, the business model may be a more effective cost sharing model. Also, if the members foresee weak governance of the network owner/manager from the members, the business model is more effective.

Subscription Models

Deciding between cooperative or business cost sharing models does not resolve how the network owner/manager will collect funds from members. Funds are collected through a subscription mechanism. The subscription mechanism can be a calculated fee or a usage fee model.

Calculated Fee Model

The calculated fee model divides billing amongst members by a calculation based on member population, number or connected facilities, original implementation costs, value of assets associated with the member, some other sets of non-usage based variables, or a formula incorporating several of these factors.

The calculated fee model should be used if the intent is to distribute operations and maintenance costs on some other variable than usage. There are many reasons to choose to distribute costs on other than usage variables. Some communities may require significant assets to support minimal usage, the members may want to level costs based on population or revenues instead of on usage, some communities may have significant other information technology assets contributing to the SCAN, or there may be some other policy the members want to advance that is done better through a calculated fee model rather than a usage based fee model.

Usage can be one of the variables included in the fee formula.

Usage Fee Model

Usage might be one of the variables included in the calculated fee formula. However, the usage fee model bases subscription costs on actual usage regardless of other factors. This model more accurately mirrors private enterprise models.

Revenue Distribution

In the event that the SCAN generates excess revenue, revenue distribution can be based on a calculated formula or determined solely on the basis of member contributions (original, recurring, or both). A calculated formula revenue redistribution model is similar to a calculated fee model. If the members choose a contribution based revenue distribution model, revenue distribution is based only on contributions and no other community factors.

Recommendations

A recommended cost and revenue sharing model must be based on the goals of the members. The following set of questions is useful to help make a decision...

1. Does the COG envision weak or strong participation in the future of the SCAN?
 - a. WEAK
 - i. Business model cost sharing
 - ii. Usage fee subscription model
 - iii. Calculated or contribution based revenue distribution
 - b. STRONG
 - i. Cooperative or business model cost sharing
 - ii. Calculated or usage fee subscription model
 - iii. Calculated or contribution based revenue distribution
2. Is the COG interested in using the SCAN to advance public policies not directly related to SCAN costs and revenues?
 - a. SCAN IS A PRIMARY PUBLIC POLICY TOOL
 - i. Cooperative or business model cost sharing
 - ii. Calculated fee subscription model
 - iii. Calculated fee revenue distribution
 - b. SCAN IS NOT A SECONDARY PUBLIC POLICY TOOL
 - i. Cooperative or business model cost sharing
 - ii. Usage fee subscription model
 - iii. Calculated or contribution based revenue distribution

Southwest Colorado Access Network (“Beanpole II”) Vision and Mission Statements

Drafted 2/22/10

Vision Statement: Build a state of the art private telecommunications network that is supported by publicly-owned infrastructure to provide secure connections between community public offices, including government, education, law enforcement, search and rescue, and medical facilities. This Southwest Colorado Open Access Network (SCOAN) will offer high speed transmission, greater bandwidth and the ability to deliver data transfer, telephony and internet services in an efficient and cost-effective manner. In addition, SCOAN will enable private Internet Service Providers (ISPs) to lease bandwidth in order to deliver similar services to currently underserved residential and business customers throughout the region.

Mission Statement: Create a regional telecommunications infrastructure (Southwest Colorado Open Access Network, or SCOAN) that provides secure connections among public offices within and between communities throughout southwest Colorado, and to enable these communities to purchase telecom services in an efficient and cost-effective manner.

Frequently Asked Questions

SCAN Vision and Policy

Q: What is the vision for the SCAN?

A: To date, the “Digital Divide” has not been bridged between communities within the region, or between southwest Colorado and the urban areas in Colorado. The socio-economic status of regional communities, low population densities, low median household incomes relative to Front Range counties, the region’s geographic distance from inter-regional Internet hubs (in Denver and Albuquerque), and extraction-based economies have not been attractive to service providers.

Cell phone coverage, broadband Internet connectivity, and the variety of other services offered by telephone, telecommunications, and cable television companies are all important, but the methods through which these services are reaching end users are changing in ways that demand new wireless and wired technologies. Further investment from both the private and governmental sectors is necessary if these new technologies are to be implemented to meet specific community needs.

The SCAN project will enable southwest Colorado communities to purchase telecommunications services in an efficient and cost-effective manner. By providing interconnect on a local and regional basis, the SCAN project will allow governments to aggregate demand for services and share support for those services. In addition, SCAN will enable private Internet Service Providers (ISPs) to lease bandwidth in order to deliver similar services to currently under-served residential and business customers throughout the region.

Q: What are benefits to participating in the SCAN project?

A: Benefits for communities that participate in the SCAN project are access to higher bandwidth, reduced costs of telecommunications services, more effective government services, and the economic development that will arise from an investment in the communities’ infrastructure. The project will accomplish these benefits by creating more competitive among service providers by operating on an open access model, aggregating bandwidth locally and regionally to achieve cost-savings on services, and by generating revenue from the leasing of excess network capacity to private service providers.

Q: What are challenges for the SCAN project?

A: Major challenges for the SCAN project are the limited local and regional budgets, the ability of the project to implement inter-community infrastructure, and network management.

Q: What are the policy objectives of the SCAN project?

A: The SWCCOG Board has stated three specific policy objectives for the SCAN project:

1. To offer SWCCOG members and other interested community anchor institutions access to greater and more reliable bandwidth than is currently available at or below current monthly recurring costs. This capability should improve government (and other community anchor institution) efficiencies by:
 - a) Improving staff efficiencies,
 - b) Expanding potential public access to regional online and virtual services, and
 - c) Offering an environment for potential application and service sharing,

2. To support economic development by investing in telecommunications infrastructure throughout the region, the excess capacity of which can be used by private sector service providers to improve and extend their service offering reach making more competitive and better telecommunications services available to more areas in the region. The SWCCOG believes enhanced telecommunications capabilities serve as one piece in a broader economic development program designed to attract high wage stable businesses to the region.
3. To enhance education and other anchor institution capabilities by improving participating organization's ability to bring the world to those they serve through the power of the Internet.

Q: What is the SCAN open access philosophy?

A: The SWCCOG is encouraging the use of the SCAN to expand the reach of vendors in Southwest Colorado. Economic development is part of the mission of the SCAN, and the region can't have real economic development if the benefits of the investment are restricted to community anchor institutions. The intent and requirement of the grant is that excess capacity be provided to internet service providers, which is already happening in Cortez. Durango is leasing dark fiber as well.

SCAN Project Grant and Budget

Q: How is the project funded?

A: The SWCCOG was awarded the grant funding by the State of Colorado Department of Local Affairs (DOLA) from the Energy and Mineral Impact Assistance Fund. The SWCCOG will seek additional funding where feasible from other sources. The DOLA will contribute \$3M to the project, and the SWCCOG will contribute \$1M as match, for a total of \$4M.

Q: By what date must SCAN project funds be spent?

A: Grant funding must be spent by December 31st, 2013. The nature of the SCAN will require the project to be implemented in stages, with the project design phase beginning summer 2011 as the SCAN continues collecting information about existing infrastructure.

Q: How was the SCAN project budget determined?

A: The Telecommunications Infrastructure Report completed by Manweiler Telecom Consulting in January 2010 proposed a budget based on estimated capital construction and equipment costs for fiber optic and wireless infrastructure. The kind of infrastructure projected to be used varied from community to community. The Manweiler Report was used as the basis for the SWCCOG application to DOLA, and the estimated budget from the Manweiler Report was adjusted proportionally to reflect the actual DOLA grant amount. The 2011 project budget has been approved by the SWCCOG Board; however, the budget for each individual community is subject to change if communities do not participate in the project or do not spend their entire grant amount. Any changes to the budget must be approved by the SWCCOG Board.

Q: Who is the Responsible Administrator for the grant?

A: Ed Morlan, the Executive Director of the Region 9 Economic Development District of Southwest Colorado, was contracted in July 2010 by the SWCCOG as the Responsible Administrator. He is responsible for managing the grant and project consultants.

Q: Who is the Project Manager for the project?

A: The SWCCOG completed a Project Manager RFQ process in September 2010 that resulted in a contract with Mid-State Consultants, of Nephi, Utah. Tory Richtmyer is the lead Project Manager, and Paul Recanzone, a subcontractor with OHLvey, is the project strategist.

Q: What is the commitment process for communities?

A: The SWCCOG has set up a two-step commitment process for communities. In the first step, communities have been asked to contribute due diligence funding, which is being used to determine feasibility for an investment in their community. Communities are required to make this contribution before they can spend grant funding on installation, construction, or equipment purchases. The due diligence funding is 10% of the budgeted local match for each community. The majority of SWCCOG communities have made this contribution, but these communities are not bound to spend any or all of their budgeted funding.

In the second step, communities contract for services and purchase equipment, and invoice the SWCCOG for reimbursement. Communities are required to contribute 25% of each project construction or equipment expenditure. Durango, Pagosa Springs, Cortez, and Ignacio have already spent project funding.

Q: Can SWCCOG governments enter into partnerships with community institutions to collect the match required to spend grant funds?

A: Yes, SWCCOG government entities can work with institutions in their communities to collectively contribute due diligence and project expenditure match funding. The Town of Ignacio has partnered with the community's library and school district to make the due diligence payment and contribute the required match for a small fiber project.

Q: Are communities responsible for spending their entire budgeted match amount?

A: Communities are not required to spend the total grant amount nor contribute the total match amount currently budgeted. Communities are responsible for paying 25% of any project construction or equipment expenditure.

Q: What happens to funding budgeted to a community that decides to drop out of the SCAN project?

A: The SWCCOG Board is responsible for making decisions concerning the SCAN budget, including changes because of communities that have decided not to participate. If a community decides not to participate, the funding allocated for that community may be used to purchase equipment for the regional network, or may be used to expand the scope of other intra-community networks.

Q: If a SWCCOG member government does not participate, can community institutions of that jurisdiction still participate?

A: Community institutions of a SWCCOG jurisdiction that does not participate in the project are still eligible to participate in the project as purchasing consortium members, where feasible. They can also make use of grant funds as long as the 25% local match requirement is met and the government jurisdiction owns the equipment or infrastructure purchased.

Q: Have all the region's communities committed to the SCAN project?

A: The SWCCOG has set up a two-step commitment process for communities. Communities have asked to contribute due diligence funding, which is being used to determine feasibility for an investment in their community. The majority of SWCCOG communities have made this contribution, but these communities are not bound to spend all of their budgeted funding. At this

point, the SCAN is shopping for services. Durango, Pagosa Springs, Cortez, and Ignacio have already spent project funding on installation, construction and equipment.

Q: What expenditures are eligible under the grant?

A: Project funding can be used to purchase and install electronic equipment supporting the community and regional networks, purchase fiber optic and wireless infrastructure, and construct infrastructure. Project funding can also be used to lease connectivity in the form of Irrevocable-Rights-of-Use (IRUs) contracted for at least 20 years.

Q: What is the process for approving project expenditures?

A: Before spending SCAN funding, communities must complete a Project Approval Form. Blank forms can be provided by Conor Wakeman, at conor@scan.org. The Project Manager and the Responsible Administrator review the form for approval, working with the community to ensure the construction or purchase fits into the scope and budget of the regional and community networks. After receiving approval of the project, the community can begin the purchasing or procurement process.

Q: How are communities reimbursed for SCAN project expenditures?

A: To receive reimbursement for project expenditures, communities submit invoices and receipts to the Responsible Administrator. These documents will be used to create a payment request to the community, and the community will receive a check with 75% of the total cost within two weeks. At the end of each quarter, the SWCCOG will invoice DOLA for 75% of total project expenditures for that quarter. For expenditures of more than \$50,000, the SWCCOG will request reimbursement from DOLA before reimbursing the community. This added step will add several weeks to the reimbursement process.

Memorandum of Understanding for purchasing consortium members

Q: What is the purpose and intent of the Memorandum of Understanding (MOU) for purchasing consortium members?

A: The SWCCOG is requesting community anchor institutions sign the MOU to participate in the RFP. These institutions are signing the MOU to get pricing estimates. Once the planning for the community networks begins in summer 2011, these institutions will be asked for feedback on the network planning and implementation. These institutions are also potential purchasing consortium members, and by signing the MOU they signal their interest in exploring a partnership with their SWCCOG jurisdiction for a variety of services, including internet, phone, software application, and IT support staff.

Q: What is the process for identifying community institutions to sign the MOU?

A: Consultants and staff generated the list by searching out and contacting institutions during the data collection efforts in the late summer and fall of 2010. Letters were sent out concerning the MOU during the winter and early spring of 2011. Staff plans to work with COG member representatives and community members to follow up with each institution during the spring and summer of 2011.

The SWCCOG has received MOUs from the San Juan BOCES and school districts, as well as libraries, fire districts, and health districts. The SWCCOG is continually approaching institutions to sign the MOU and expects to add more institutions as the project moves forward.

Q: What institutions are eligible to sign the MOU?

A: The SWCCOG has stated that 'community anchor institutions' are eligible to sign the MOU. These institutions include schools, libraries, medical and healthcare providers, public safety entities, community colleges and other institutions of higher education, and other community support organizations and entities. As stated in SWCCOG policy, community anchor institutions are eligible to sign the MOU and offer their institutions assets for use as part of the SCAN project.

Q: Are MOU signators financially obligated to participate in the SCAN project?

A: Community institutions that sign the MOU are not financially obligated to participate in the SCAN project. By signing the MOU, institutions acknowledge that the SWCCOG is including their institution in planning efforts and that they are willing to participate in processes to identify the most appropriate projects for their community. Participation is defined as providing telecommunications usage information, attending planning meetings, and other non-financial contributions to the project implementation process.

Q: By what date must institutions sign the MOU to participate in the SCAN project?

A: The SWCCOG has not set an end date for community institutions to sign the MOU. Currently, the SWCCOG Board has indicated that it plans to accept and enter into MOUs with community institutions during the duration of the implementation of the SCAN project.

SCAN Project Implementation

Q: What is the selection process for bids from the SCAN Implementation RFP?

A: The bids will not be considered hard, and prices from different proposals will be used for comparison in the selection process. The SCAN will select interesting elements and negotiate with vendors after elements have been selected to pursue. Only vendors who respond to the RFP will be contracted to work on the project. The SCAN anticipates multiple vendors will be contracted to provide services because no single vendor will offer services for the entire region. The SCAN will break the RFP into pieces to facilitate competition between vendors, and pick the pieces the SWCCOG communities are interested in. For instance, in Rico the SCAN could build a fiber run with SCAN funding. If vendors propose services without taking that fiber run into account, the SCAN would counter-propose based on having that fiber in place.

Q: How will the SWCCOG structure the RFP bid evaluation process?

A: The SCAN anticipates the communities will receive different ideas about how they could invest. Mid-State Consultants will review the bids and provide different packages based on the responses. These packages will be presented to the SWCCOG Selection Committee, which will be made of representatives from SWCCOG governments and community institutions. The Selection Committee will make its recommendations independent of Mid-State. The recommendations of the Selection Committee will be presented to each community, which will choose from among the alternatives. If a community is underserved and a vendor offers to serve that community, that project may be highly regarded. The evaluation process is being structured in such a way to shield vendors from political assumptions that have been made about vendors.

Q: How will Cost/Benefit analyses and price estimates be provided for communities?

A: The SWCCOG the SCAN Implementation RFP requesting services to implement the SCAN project April 11th, and the close date for responses is May 20th. The SWCCOG and the SCAN

Project Manager will construct cost/benefit analyses and price estimates for network construction and maintenance using these responses and information gained from negotiations with vendors.

Q: What criteria are used to prioritize projects for funding?

A: The SWCCOG has approved two criteria for prioritizing project for funding. These criteria will be used by the SWCCOG and communities in the selection of projects for funding. The SWCCOG approved these criteria recognizing the project does not have the resources to fully meet the SCAN project objectives. The criteria are:

1. Projects in the original budget designed to deploy essential intra-community connectivity have the highest priority. Essential intra-community connectivity projects deploy community backbone infrastructure, community aggregation point facilities, or other infrastructure needed before any facility can connect to the community network.
2. Next, projects in the original budget designed to deploy essential inter-community connectivity. Essential inter-community projects include work to deploy the minimum needed infrastructure to connect communities to regional aggregation points, the work needed to deploy regional aggregation points, or other infrastructure needed before any community can connect to the regional network.

Q: How will the SCAN collect revenue?

A: The SCAN will require staff personnel or contractors to provide technical and network maintenance, and business and accounting services. The SWCCOG is exploring the possibility of a SWCCOG member government providing staff to fulfill technical and business support functions until the SWCCOG is prepared to hire its own staff. The SWCCOG will need to determine a formula for collecting revenue from infrastructure deployed with SCAN funding. The SWCCOG has stated its intent to put in place contractual or intergovernmental agreements on a pay-for-use basis, or a formulaic basis that includes a pay-for-use component.

Q: Who will own infrastructure and equipment purchased with SCAN funding?

A: The DOLA grant requires that each SWCCOG government jurisdiction will own the assets within its jurisdiction. For assets in multiple jurisdictions or outside any jurisdiction ownership will be defined through intergovernmental agreements.

Q: How can communities participate in the SCAN project?

A: SWCCOG communities can focus on the data collection and community support needed to prepare for the design phase of community networks. If a community fails to complete these steps, or identify significant gaps in these steps for their community, that community's ability to participate in the project will be limited. Some suggested steps are:

1. *Identify and approach community institutions to sign the MOU.* Communities that have informed their institutions about the project will be able to include those institutions in planning efforts and in purchasing consortiums. The MOU facilitates a discussion of the community network and allows institutions input into the planning of the network. Institutions that have signed the MOU or have received information about the SCAN project are more knowledgeable of the project and can plan for their participation.
2. *Identify community needs.* Communities that have identified the need for telecommunications services are in a better position to begin designing a community network. In the fall and winter of 2010 the SWCCOG distributed usage surveys and speed tests to 259 community institutions in the region. Of these, 185 institutions responded to the survey. Communities can prepare themselves by having institutions provide updated or more complete information.

3. *Complete IT application and personnel survey.* Communities can begin preparing for the long-term technical demands of maintaining their community network by providing the information requested in the “Community IT Support Personnel and Application Survey”. Communities that have this survey completed by the SWCCOG member government and interested community institutions can begin a conversation about sharing IT application and support costs, and about what IT applications institutions would like to have in the future.

Q: How will the SWCCOG assist communities to plan for the sustainability of community networks?

A: The SWCCOG has stated that the SCAN project will not invest in a community network that community cannot afford to maintain. Using vendor responses to the SCAN Implementation RFP the Project Manager will construct a business plan for the regional and community networks, including potential revenue streams like the leasing of excess capacity to private vendors of telecommunication services.

Q: How will the SWCCOG operate SCAN once the grant funds are no longer available?

A: The SWCCOG Board has not identified the specific policy for how it will operate the SCAN after the grant funds are spent. There are several options available, including hiring an outside contractor, contracting with SWCCOG member jurisdictions to provide staff capacity, and hiring SWCCOG staff directly. The SWCCOG will pay for these services using revenue collected from the leasing of excess capacity to private service providers.

Partner Organization and Vendor Relations

Q: What is the EAGLE-Net project?

A: The Educational Access Gateway Learning Environment Network (EAGLE-Net) is a non-profit organization that began as a project of the Centennial BOCES. The project is funded through a \$100M grant from the National Telecommunications and Information Administration, with \$40M in match from private partners, such as Qwest, Conterra, IBM, and the State of Colorado. EAGLE-Net’s primary charge is to bring broadband connectivity into each school and library district in the state. They also hope to allow community institutions in that school district to take advantage of the investment in connectivity.

The SWCCOG is excited about the potential regional telecommunications investment opportunity the EAGLE-Net project represents. The SWCCOG believes the \$4M it is investing in the SCAN represents a complementary effort with the proposed work of the EAGLE-Net project and is looking for ways to collaborate with EAGLE-Net in order to maximize public telecommunications investment in the region to most benefit the students, residents, governments and businesses throughout southwest Colorado.

Q: What other projects exist to invest in bringing broadband to Southwest Colorado?

A: The Colorado Tele-Health Network is investing in telecommunications infrastructure to serve the region’s public health agencies.

Q: How will the SCAN project work with local and regional telecommunications providers and other vendors to keep this investment in the region?

A: The SWCCOG and most SWCCOG member governments have stated local and regional business preferences in purchasing and procurement policies. The SWCCOG will make use of this preference whenever it is in the best interest of the SWCCOG.



RESOLUTION #11-04

Resolution memorializing policies for the Southwest Colorado Access Network

WHEREAS, the Southwest Colorado Council of Governments (SWCCOG) includes 14 governmental jurisdictions and serves as a forum for local governments to identify regional issues and opportunities; and,

WHEREAS, the Southwest Colorado Access Network (SCAN) is a project of the SWCCOG intended to enhance the region's telecommunications infrastructure; and,

WHEREAS, the SWCCOG Board requires formal policy decisions to continue the design and engineering of SCAN; and,

WHEREAS, the SWCCOG Telecommunications Committees recommend the following policies to the SWCCOG Board concerning the SCAN project; and,

WHEREAS, the SWCCOG member jurisdictions will own the SCAN assets within their jurisdictions; and,

WHEREAS, ownership of SCAN assets in multiple SWCCOG jurisdictions or outside any SWCCOG jurisdiction will be defined through Inter-Governmental Agreement; and,

WHEREAS, SCAN will focus on completing community network segments and connecting anchor institutions to community aggregation points; and,

WHEREAS, SCAN will implement revenue- and cost-sharing agreements that use contracts or Inter-Government Agreements on a pay-for-use basis or a formulaic basis that includes a pay-for-use component;

THEREFORE, BE IT RESOLVED, that the Board of Directors of the SWCCOG memorializes the preceding items as the policy framework for the design and implementation of the Southwest Colorado Access Network.

Approved this **4th day of March, 2011** by the Board of Directors of the Southwest Colorado Council of Governments.

Dr. Rick Smith, Chair

Bryce Capron, Secretary-Treasurer

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Southwest Colorado Council of Governments

March 4, 2011, 1:30-3:30 p.m.

Anasazi Room, La Plata County Courthouse, Durango

Members Present:

Bryce Capron, Town of Dove Creek
Justin Clifton, Town of Bayfield Jay
Harrington, City of Cortez Ron LeBlanc,
City of Durango Clifford Lucero,
Archuleta County Ryan Mahoney, Town
of Dolores David Mitchem, Town of
Pagosa Springs Shawn Nau, La Plata
County Baity Quintana, Town of
Ignacio Greg Schulte, Archuleta County
Dr. Rick Smith, Town of Bayfield Willy
Tookey, San Juan County Jason Wells,
Town of Silverton Ernie Williams,
Dolores County

Guests:

Bob Campbell, City of Farmington
Wanda Cason, Senator Udall's Office
Rob Mayes, City of Farmington Troy
Ralstin, Ute Mountain Ute Tribe Pat
Senecal, Town of Ignacio Aileen Tracy,
4CORE John Whitney, Senator Bennet's
Office Ed Zink, 4CORE

Staff/Consultants:

Conor Wakeman Ed Morlan
Laura Lewis Marchino
Paul Recanzone, OHivey (phone)

I. Call to order and Introductions

The meeting was called to order at 1:33 p.m. by Rick Smith, Chair. Self-introductions were made.

II. Additions or Changes to the Agenda

There were no additions or changes to the agenda.

III. Approval of Minutes from February 4th

The minutes were distributed prior to the meeting. **Bryce Capron made a motion to approve the minutes as presented. Shawn Nau seconded, and the motion passed unanimously.**

IV. Presentation: Farmington Manager Rob Mayes and Assistant Manager Bob Campbell

The Board received a presentation from Josh Joswick of the San Juan Citizens Alliance at last month's meeting about the EPA regulations concerning the San Juan Generating Station (SJGS). The Board agreed in February that each representative should have an opportunity to take information back to their respective local government before making a decision. The Board received Farmington's resolutions concerning the EPA plans for SJGS prior to the meeting.

Farmington City Manager Rob Mayes provided information about the EPA regulations for SJGS and Farmington's response to those regulations. A handout from the Public Services Company of New Mexico (PNM) was distributed. Rob said Farmington took the position that the EPA should take a balanced approach to regulations for SJGS, taking into account the environmental and economic impact of implementing regulations. The city has a unique role because they are representing their constituents and they own 3% of SJGS.

In 2009, PNM spent \$340M on selective non-catalytic reduction (SNCR) technology, which met EPA requirements at the time. The EPA now requests PNM install selective catalytic reduction (SCR) technology, which would require PNM to invest another \$1B. The new administration with the State of New Mexico has released a State Implementation Plan that supports continued use of SNCR technology. It is unclear what will happen to SJGS if the SCR technology is not installed.

PNM's first position is to continue use of the SNCR technology and invest another \$60-100M in SNCR technology for improvements.

The SNCR technology was installed to reduce level of haze, mercury, and other emissions. The handout provided more information about the specifics of the SNCR and SCR technologies. The SNCR technology resulted in a 66% reduction in haze. PNM questions whether the SCR investment is an economically viable solution to the problem. PNM experts have said the difference, in terms of haze, between SNCR and SCR technology is indistinguishable to the human eye. Aileen Tracy said this discussion separates air quality from public health issues. Rob said haze, like steam, is visible but is not necessarily a pollutant.

The investment in SCR new technology will increase the cost of power for customers. PNM delivers power to 2M customers in New Mexico and Colorado. There are 375 FTE at SJGS and 567 FTE at the San Juan Mine, which provides coal for SJGS. PNM pays \$6.6M in property tax, and SJGS jobs have a 3X job multiplier. If PNM does not invest in the SCR technology, other options include shutting down the plant and converting to another fuel, such as natural gas.

Greg Schulte said the draft resolution encourages members to comment and to request the EPA require use of Best Available Retrofit Technology (BART), which may be SCR or SNCR technology. Shawn Nau said he thinks BART implies SCR technology, but the resolution is not clear. La Plata County wrote a letter encouraging the EPA to hold hearings in La Plata, but their letter does not take a position on BART.

Board members offered their governing bodies' recommendations. Justin Clifton said Bayfield wanted to tell the EPA to do their best, but did not want to enter the debate. He couldn't support a letter or resolution that included substantive language. Ernie Williams said Dolores County felt the same way. There are agencies that take care of this, and local people like to be heard on local issues, but Dolores County doesn't want to see a resolution. Jason Wells said he wanted more information about compliance, which the Board received today, but he does not feel comfortable voting on a resolution today. Clifford Lucero said Archuleta County is not ready to vote either and is still gathering information. Jay Harrington said he distributed the information sent out before the meeting to the City Council, but they have not discussed it yet.

Dr. Rick Smith said what's at stake is the interpretation about whether the COG supports one or another type of technology. As Bayfield's representative he would not be in favor of a resolution based on their vote. Rob said the comment period has been extended until April 4th for written comments to the EPA on their Federal Implementation Plan. **Justin Clifton made a motion to table the resolution indefinitely, given the fact that some communities are not ready to weigh the matter and come to a consensus, and have the Legislative Committee vet issues before coming to the Board. Jason Wells made a friendly amendment to expand the role of the Legislative Committee to include policy matters. Justin accepted the amendment. Ryan Mahoney seconded, and the motion passed unanimously.**

V. Establishment of Corporation

A. Update of Official Member Representatives

Laura Lewis Marchino reported that IGA renewal forms have been signed and returned by nine members. She has followed up with the remaining members, which have all expressed interest in renewing membership. Six members have paid dues. She has not heard from the two Tribes.

VI. Officer and Committee Reports

A. Treasurer Report

i. Review and Approval of Financial Reports for February:

Bryce Capron reported on the February financial statements. He referred the group to the Balance Sheet and Profit Loss for Feb. 28, 2011.

- The profit and loss shows a negative net income of \$2,105.60.
- The COG has spent \$1,404.50 on the audit, \$3,230 on liability insurance, \$3,324.88 on administration from Region 9.
- The COG also has \$81,451.13 in the bank.

In regards to the telecom project:

- The COG spent \$87,130.38 on the telecom project in February.
- Currently, communities are paying for SCAN project costs and submitting reimbursement requests to the COG. Durango submitted a reimbursement request totaling \$74,089.48 in February. Durango requested \$10,577.48 in grant funds, and contributed \$63,512 in match. That \$63K never went through the COG books and can be seen under the 'ICE Reimbursement' category. Though these funds do not come through the COG books, the COG needs a method to track the expenses to show match.

For the Board's information, DoLA has approved an extension until May 30th for technical assistance funding.

A budget-to-actual for February 28, 2011 was presented to the group. **Ron LeBlanc made a motion to approve the February financials as presented. Baity Quintana seconded, and the motion passed unanimously.**

ii. Audit Update

Laura Lewis Marchino reported three firms made a bid to do the COG audit. The Board received a spreadsheet with evaluation criteria that scored the proposals. Copies of the audit proposals can be made available to Board members on request. Board direction was requested on how to select the bid for award. The three bidders were: Beckstead & Associates; Chadwick, Steinkirchner, Davis & Co.; and, Fredrick Zink & Associates. Staff recommended Beckstead & Associates for award.

Todd Beckstead used to work for Chadwick, Steinkirchner, Davis & Co., and Region 9 was happy with their work while he was there. Beckstead has the most government experience and owns his own business. He is located in Grand Junction, but he works with a lot of local Southwest Colorado entities. The COG would get his direct services. Greg Schulte noted that they are the only firm within the COG budget for the audit.

Region 9 was not as happy with Chadwick, Steinkirchner, Davis & Co at the end of their tenure as auditor, after Todd left.

The third bidder was Fredrick Zink & Associates. They are Region 9's current auditor, and they charged the COG \$1,400 to explore whether the COG needed an audit. They don't have much government auditing experience.

Ron LeBlanc made a motion to accept the staff recommendation to award the audit contract to Beckstead & Associates. David Mitchem seconded, and the motion passed unanimously.

iii. Proposal Writer request

The COG has been struggling to use the 'Proposal Writer' budget line item, and staff knows the COG needs additional funds for general and telecom projects. Laura said the COG has \$4500 in the general COG budget for a Proposal Writer in 2011. The Board meeting information included a list of services of a local grant writer, Lisa Gates. Staff contacted Lisa about putting together a grant plan listing funding possibilities for the telecom project and the COG in general. She estimated \$500 to do the grant plan. There has not been active solicitation by staff for grant research and planning. Aileen Tracy said she knows of other grant writers, and she would be happy to provide that information.

Ron LeBlanc said the COG needs to determine available grants and then find someone to write the grants. There are electronic services that provide information about upcoming grant opportunities. He said the timing of this item with the 2011 federal congressional sessions suggests there will be competitive grants immediately and in the future. The COG should explore electronic services to make grant information available to the COG and the communities because it doesn't make sense for each member to buy a grant service. After putting that in place, then the COG should think about funding a grant writer.

Ron LeBlanc made a motion that the COG postpone action until the April meeting, and in the interim Durango will work with COG staff to give options for electronic services that identify grants so information can be presented to the COG Board for discussion. Ernie Williams seconded, and the motion passed unanimously. Ed Morlan said the COG contract with Mid-State Consultants includes grant work for the telecom project.

B. Telecommunication Committee Report

i. Technical & Non-Technical Committees Report: Willy Tookey

Willy Tookey reported on the Joint Technical and Non-Technical Telecommunications Committee meeting Tuesday, February 22nd. The Committee meeting summary was included in the Board packet.

Paul Recanzone's visited the region Feb. 7-9 for meetings in Dove Creek, Ignacio, Pagosa Springs, and Durango with COG jurisdictions and partner institutions. He also participated in meetings with Farmer's Telephone, PacketRail, FastTrack, and the San Juan BOCES. The meetings were well-attended and positive. Paul emphasized to the Joint Committee his surprise as how little key institutions knew about the SCAN project. This discussion led to a basic marketing plan for the project, which the Telecom Committees will vet.

Outreach efforts continue concerning the Memorandums of Understanding for institutions who are interested in participating in the Request for Proposals and community purchasing consortiums. The San Juan BOCES is the only institution to have signed an MOU with the COG. Paul and Conor hosted a phone conversation with the region's libraries Feb. 24th to promote the

project and request participation in the RFP, and the libraries expressed interest in taking advantage of what the project has to offer. The Telecom Committees' consensus was that community institutions should be allowed to sign MOUs after the release of the RFP. Ron LeBlanc said some COG jurisdictions are having problems putting together match. To consider equity, he suggested offering services to non-property tax institutions for a connection fee. Institutions that don't pay property taxes could benefit from the project without having to contribute funds. Ed Morlan said the project is not at the point of asking community institutions to contribute funds to the project.

Paul, Conor, and Dr. Rick Smith participated in a phone meeting with several EAGLE-Net representatives February 24th. Ed set up the meeting with the intent of establishing regular communication between the projects and gathering information about EAGLE-Net's application process, network design, and Project Manager. Paul said there was good conversation with EAGLE-Net. The projects' visions are aligned, and though COG efforts to create something EAGLE-Net can build off of will entail some risk, that risk will pay off. EAGLE-Net agreed to monthly phone meetings for project updates. Dr. Rick said EAGLE-Net's charge is to hook up schools and libraries. They will come to one location in each school district and drop a large pipe, but if the schools don't connect to that central point, then EAGLE-Net has to spend money to connect them. Shawn Nau said if a school district chooses not to take part in SCAN, they run the risk of EAGLE-Net not being able to connect them. He asked if the COG knows how EAGLE-Net will prioritize schools and how EAGLE-Net is planning to purchase services from existing providers. Dr. Rick said EAGLE-Net wants to purchase services region-by-region, and if the SCAN project goes hand-in-hand with EAGLE-Net that money will stretch further. To use Fort Lewis Mesa Elementary as an example, Shawn said, if Durango 9-R kicks in they should have a better chance of being connected than if they wait for EAGLE-Net. The Ute Mountain Ute Tribe locations in Towaoc are a special case because the COG wants to connect them in exchange for EAGLE-Net going dollar-for-dollar somewhere else. Greg Schulte said this is an attractive partnership, and the COG should do what it can to have them start in our region because it will be a huge project in the end. He said he wouldn't be surprised if EAGLE-Net runs out of money. The COG should stress that that they do this region first because it comes with a \$4M gift.

Two action items came out of the Joint Committees meeting. First, Justin Clifton will vacate a seat on the Non-Technical Committee when he leaves in April, and Board action was requested to fill his seat. Second, Board approval was requested to merge the Technical and Non-Technical Committees.

ii. Committee Roles and Merger

1. Non-Technical Committee member vacancy

Jason Wells volunteered to take Justin Clifton's place on the Non-Technical Committee. **Jay Harrington made a motion to have Jason Wells fill Justin Clifton's vacated seat on the Non-Technical Committee. Ron LeBlanc seconded, and the motion passed unanimously.**

iii. Action Items

1. Combining the Technical and Non-Technical Committees

Information was included in the Agenda Notes. The Committees were formed to investigate project issues and expedite processes for the project. The Non-Technical Committee was formed to address policy and fiscal issues. The Technical Committee was formed to address design, engineering and operations issues. The Committees are not addressing issues with operational and

policy components. Conor said the Committees are duplicating efforts. **Shawn Nau made a motion to combine the Technical and Non-Technical Committees into the Telecommunications Committee, with the listed members, and give the Committee the task of reviewing the RFP responses. David Mitchem seconded, and the motion passed unanimously.**

2. Resolution #11-04 Memorializing policies for the Southwest Colorado Access Network

The resolution memorializes SCAN policy decisions concerning network ownership, community interconnect options, and revenue- and cost-sharing models. These policies have been vetted at several COG Board and Committee meetings. The Joint Committee reviewed the draft resolution at their Feb. 22nd meeting with no objections and recommended it for Board approval. Ken Fellman reviewed the draft at the request of the Joint Committee. **Baity Quintana made a motion to approve the resolution as presented. Ron LeBlanc seconded, and the motion passed unanimously.**

3. Request for Proposals for SCAN project

The Request for Proposals (RFP) was distributed prior to the meeting, and includes all but one exhibit. The requested action was to approve the RFP, giving communities an opportunity to review the exhibits. Willy Tookey said the Exhibit A regional numbers should be based on the 2010 census numbers. Shawn Nau said the model is that anyone can bid for providing services. He asked if excess capacity could be sold exclusively. Jay Harrington said Ken Fellman has stressed that the project cannot sell excess capacity exclusively because open access is required by DoLA and EAGLE-Net. **David Mitchem made a motion to approve the RFP as presented, pending community opportunity to review Exhibit B and C and updating the census numbers. Willy Tookey seconded, and the motion passed unanimously.** Conor will meet with Ernie Williams to answer his questions about the telecom project.

C. Other Committees

i. Legislative Committee report: Shawn Nau

Shawn Nau reported the Legislative Committee met yesterday at Francisco's in Bayfield. A handout was distributed that reviewed five bills in the Colorado General Assembly and recommended a COG position on each. These bills were compiled from Colorado Municipal League and Colorado Counties Inc. lists. Shawn provided an overview of each bill and its current status in the General Assembly:

Position: SWCCOG Supports

HB11-1072: Responsibilities of designated representatives of the proponents of a ballot initiative petition (Passed House, in Senate Judiciary Committee)

HB11-1123: Prohibit transfer of mineral revenue to the General Fund (Passed Second Reading)

SB11-124: Transfers of unspent county TANF reserves (Second Reading laid over)

SJR11-005: Prohibit unfunded mandates to state/local governments (Third Reading laid over)

Position: SWCCOG Monitors

HB11-1220: Accelerated funding for urban transportation projects that support economic development (Passed House, in Senate State, Veterans, & Military Affairs Committee)

Willy Tookey made a motion to accept the Legislative Committee recommendations of Colorado General Assembly bills on which to take a position and the recommended COG

positions. Shawn Nau offered a friendly amendment to direct staff to draft a letter stating these positions to send to elected representatives. Baity Quintana seconded, and the motion passed unanimously. Shawn offered La Plata County staff to compose the letter.

ii. Housing Committee report: Laura Lewis Marchino

There was no report.

iii. Transit Committee report: Conor Wakeman

Conor Wakeman reported on the February 25th meeting of the Southwest Colorado Transit Local Coordinating Council (LCC). Twelve regional organizations from four counties were present and discussed organizational processes, vanpooling, mobility management and grants. LCC members have two grant applications under consideration with the National Center on Senior Transit and Easter Seals. The NCST grant would provide \$16K for training and could be used as match for a CDOT 5310 grant. The Easter Seals grant would not have funds attached to it and would consist of training and technical assistance for organizing an accessible transportation coalition. Conor provides logistical support for the Easter Seals grant.

1. Fiscal Agent for 5310 CDOT funding

At their meeting, LCC members voted to support pursuing an application for 5310 funding from CDOT for a mobility manager. Greg Schulte asked where the match for the grant will come from if the NCST grant isn't awarded or LCC agencies can't put up the match. Laura Lewis Marchino said she would research the grant's match requirements. The position could combine grant writing, advocacy, facilitation, and outreach duties. The position would enhance the capacity of the LCC and the individual LCC members by assisting with efforts regionally and of individual agencies that tie into the LCC. The LCC needs a fiscal agent for the grant application. **Ernie Williams made a motion to direct staff to bring back more information to the April Board meeting about the position and the grant, including match requirements, an organizational chart, salary range, and depth of responsibilities for fiscal agency. Ron LeBlanc seconded, and the motion passed unanimously.**

VII. Old Business

a. Annual Report

The SWCCOG 2010 Annual Report has been printed. Copies were brought to the meeting for Board members to take back to their communities, boards, and elected officials. Input was requested about where to distribute reports.

b. Economic Development Council of Colorado/CARO meeting

The COG will sponsor the CARO lunch meeting at the Durango Public Library on Wednesday, April 20th during the EDCC conference. Laura has made the basic arrangements, and the first half of the lunch will be a meet-and-greet. Most of the CARO members are coming for the conference, so attendance should be good.

c. AmeriCorps member for 2011/12

Board direction was requested about pursuing another AmeriCorps member. The position would start in September, and the COG would contribute \$6,800, or half the position's salary. This position would continue Conor's work on the telecom and transit projects as a full-time, contract COG employee, through Region 9. Laura will propose an amended SWCCOG budget at the April meeting, and use Proposal Writer and Attorneys Fees from the COG general fund for the position.

The position will be paid for upfront, so the funding will all come from the 2011 budget. **Bryce Capron made a motion to direct staff to move forward with a full-time SWCCOG AmeriCorps position, pending review of the amended 2011 budget at the April Board meeting. Ron LeBlanc seconded, and the motion passed unanimously.**

d. Website Update

Conor Wakeman reported progress on the COG website. He solicited responses from three local vendors to design and build the site. There is \$2,500 in the telecom budget for the website, and the bids have all come in under that amount. He hopes to pick a vendor within two weeks and have the site go live in mid-April. He requested Board direction on vendor selection. Because of the estimated cost of the project (\$1,500-1,800), the SWCCOG Procurement Policies state the Procurement Agent or authorized agent, with the approval of a SWCCOG Officer, can award the project. **Ron LeBlanc made a motion to authorize Conor Wakeman, on behalf of the SWCCOG Board, to select the vendor for award of the website design and build, in accordance with the regulations of the SWCCOG Procurement Policy. David Mitchem seconded, and the motion passed unanimously.**

VII. New Business

a. Discussion on Governor’s Economic Development Plans and COG role

An updated agenda for the Governor’s Bottom-Up Economic Development Plan initiative meeting was distributed. Dwayne Romero, the OEDIT Executive Director, is now planning to have lunch in Silverton on his way to Montrose. Laura Lewis Marchino said Beth Taylor is taking a leave-of-absence and that she has been working with Darlene Scott. Shawn Nau and Greg Schulte plan to attend. The COG’s role in discussing and submitting the regional plans will be discussed after the Bottom-Up meeting and put on the next agenda.

b. Recognition

The Board presented its AmeriCorps member, Conor Wakeman, with a plaque in thanks for his service to the COG during the last 10 months. Region 9 will keep him on part-time for several months to assist with the COG telecom and transit projects. Cupcakes were enjoyed by all.

c. Other Announcements

1. Regional Sustainability Councils

The Alliance for Sustainable Colorado contacted Region 9 EDD about getting the COG involved in regional sustainability planning, and potentially administering a regional sustainability council. Laura connected the Alliance with 4CORE and other regional initiatives because they already do much if not all of this work. They are presenting at the CARO meeting in April, and COG members can talk to them then. **Ron LeBlanc made a motion that 4CORE is the agency to administer a regional sustainability council David Mitchem seconded, and the motion passed unanimously.**

2. State Demographer

Greg Schulte called Elizabeth Gamer, the state demographer, and invited her to come to a COG meeting and make a presentation. Elizabeth will make a presentation at the EDCC conference in April, and Greg suggested the COG set something up around the CARO meeting. He will forward Elizabeth’s response to Laura.

3. Operation Link-Up

Jason Wells presented information on Operation Link-Up, a project of Silverton, San Juan

County, and the San Juan Development Association to promote regional connectivity issues from Durango to Montrose. He passed out brochures to the Board. Silverton will be at the end of spur from Ouray if the PUC rules in its favor, so redundancy is still an issue. Ouray County, San Miguel County, and the towns of Ouray and Ridgway are also involved. Operation Link-Up would like to talk to the other jurisdictions in Southwest Colorado about having the whole region sign an MOU to promote redundancy as a priority. Ron LeBlanc suggested Operation Link-Up present to the COG. Staff will add Operation Link-Up to the April agenda.

d. Next meeting date: April 1st or 8th

The Board approved by voice acclamation the next Board meeting date as April 8th.

VIII. Adjourn

The meeting adjourned at 3:50 PM.

Minutes submitted by Conor Wakeman

SCAN Policy Objectives – March 2011

The Southwest Colorado Council of Governments (the Council of Governments or COG) recognizes that 21st Century telecommunications services play a vital role in improving government efficiencies, enhancing education opportunities, supporting economic development activities, and otherwise enhancing the quality of life in the region. To that end, the Council of Governments has engaged in the Southwest Colorado Access Network or SCAN project.

The specific objectives of the SCAN are:

1. To offer COG members and other interested community anchor institutions access to greater and more reliable bandwidth than is currently available at or below current monthly recurring costs. This capability should improve government (and other community anchor institution) efficiencies by:
 - a. Improving staff efficiencies,
 - b. Expanding potential public access to regional online and virtual services, and
 - c. Offering an environment for potential application and service sharing,
2. To support economic development by investing in telecommunications infrastructure throughout the region, the excess capacity of which can be used by private sector service providers to improve and extend their service offering reach making more competitive and better telecommunications services available to more areas in the region. The COG believes enhanced telecommunications capabilities serve as one piece in a broader economic development program designed to attract high wage stable businesses to the region.
3. To enhance education and other anchor institution capabilities by improving participating organization's ability to bring the world to those they serve through the power of the Internet.

To meet the Council of Government's policy objectives, the SCAN:

1. Must offer the high speed and reliability of a fiber network whenever possible.
2. Must create aggregation of demand by bringing community needs to a single aggregation point and regional needs to consolidated aggregation points and establishing a "purchasing consortium" to represent aggregated needs to telecommunications services vendors.
3. Must work cooperatively with other organizations (both public and private) to establish a regional broadband network deployment strategy that minimizes market inefficiencies.
4. Must comply with Colorado State law and granting agency rules and guidelines.

Operations and Managements Overview Tasks – May 2011

1. Technical Management

The SCAN will consist of local, regional and extra-regional assets and functionality requiring some technical management.

a. Operations Management

i. Capacity Management and Planning

Capacity management and planning involves monitoring network traffic, proactively identifying potential bottlenecks and implementing solutions to efficiently minimize congestion. Capacity management monitoring will also alert technical staff when a single user or group of users is over-utilizing bandwidth. Overutilization can stem from legitimate use or from some sort of hardware or software fault.

ii. Network Monitoring

Network monitoring is used to alert technical staff when a network fault occurs or when conditions indicating an eminent fault exist. Network monitoring provides data to help meet other operations and management needs.

iii. Security Management and Monitoring

Security management and monitoring ensures network traffic is secure.

iv. Incident, Problem, Change and Configuration Management

In order to effectively manage the system, a thorough incident, problem, change and configuration management methodology must be established and adhered to.

b. System of Record

The system of record documents assets by type, configuration and location. The system of record serves as a critical data source for systems management, emergency repair, order fulfillment and other operations and management needs.

c. Outside Plant Maintenance

i. Locating Services

Locating services ensure that buried assets are marked when others dig in the area.

ii. Preventive Maintenance

Preventive maintenance ensures the longevity of the assets and helps prevent service affecting faults.

iii. Repairs

When a service affecting fault or other damage occurs repairs must be made.

iv. Re-Routing, Expansion and Contraction

As needs change through time, parts of the network may need to be moved, expanded or abandoned. These efforts must be managed and executed so as to minimize service interruption.

d. Electronics Maintenance

i. Systems Upgrades and Maintenance Patches

All electronics systems will require periodic upgrades and maintenance patches.

ii. Life Cycle Management

Electronics systems obsolesce over time and require life cycle management.

e. Customer Support

Even without intentionally being a customer facing organization, the network has customers. These users will need periodic assistance in order to maximize the benefit of the network.

2. Business Management

The SCAN will involve a number of business relationships of varying degrees of complexity.

a. Marketing and Public Relations

The SCAN is working to identify community anchor institutions and to ensure all potential members are identified to participate in its purchasing consortium. However, as time reshapes the community anchor institutions in the region, the SCAN will need to continue marketing efforts. Furthermore, the success of the SCAN should be regularly advertised to ensure continued community support for ongoing support and maintenance costs.

b. Contract Management

The SCAN will involve a number of business relationships of varying degrees of complexity. These relationships will be managed through contracts or other agreements.

c. Accounts Receivable

i. COG to non-COG Billing

The SCAN may have non-COG users who will need to be invoiced and from whom payment will need to be received.

ii. COG to COG Value Transfers and Billing

The SCAN may need to track value transfers amongst COG members. When value transfers are lower than a members utilization costs, the SCAN may need to invoice and receive payment from COG members.

d. Accounts Payable

i. COG to non-COG Payments

The SCAN will have recurring obligations to non-COG organizations and businesses that will require payment.

ii. COG to COG Value Transfers and Payments

When a COG members transfer value exceeds utilization costs, the SCAN may need to make payment.

Administrative and Program Support Needed by SCAN – August 2011

Administrative and Program support needed by SCAN

1. Administrative support. Arranging meeting, taking minutes, scheduling appointments, file management, etc.
2. Contract Administration. Following up on the all the various contracts that will be needed in terms of working with an attorney to get them drafted, make sure of the terms and conditions, coordinate with the local community representative, consultants, vendors, get them executed and filed, follow up for compliance with contracts, etc.
3. Financial Analysis. Perform financial analysis on contracts and other aspects of the Regional SCAN, etc. to conduct a cost benefit analysis of individual projects as well as regional network management.
4. Customer service / sales representative for potential SCAN purchasing consortium members.
5. Customers service / sales representative for vendors to market excess network capacity
6. Business development for other revenue sources such as cell towers or leasing space for the COG members and SCAN network.
7. Overall management of SCAN as it transitions from a grant implementation project to an ongoing operation.

SWCCOG Page 1 of 6 Committee
Wednesday, November 2, 2011, 2011 3-4:30pm
Region 9 E.D.D Office
Meeting Summary

I. Welcome and Introductions

- Ed Morlan, Region 9 E.D.D.
- Caitlin Riggs, Region 9 E.D.D.
- Paul Recanzone, OHivey
- Eric Pierson, City of Durango
- Jason Wells, Town of Silverton
- Rick Smith, City of Cortez
- David Bygel, La Plata County
- Ernie Williams, City of Cortez
- Shane Hale, City of Cortez
- Bill Bishop, Bayfield School District
- Frank Ohrtman, Broadband Data & Development Program
- Miriam Gillow-Wiles, Town of Ignacio
- Brian Crane, Ignacio School District
- David Mitchem, Town of Pagosa Springs
- Bryan Crawford, Pueblo Community College
- Larry Escude, Pagosa Springs Mountain Hospital
- Frank Ohrtman, Broadband Data & Development Program

II. Discussion

1.) Summary/Minutes from October 12, 2011 meeting

- No comments/suggestions.

2.) Draft RFP/Scope of Work/Budget for SCAN General Manager - Ed

- This discussion stated the possibilities of the candidates which will include Paul Recanzone and Dr. Rick Smith. Paul and Rick will submit a joint proposal. There were some concerns for this manager job and the possible conflict of interest in electing Paul. The conflict of interest issue raised awareness to the fact of the candidates should not be directly part of the COG. Paul intended to finish the implementation project with Mid-State and hopefully have more opportunity to use the Business Sustainability plan spreadsheet. As for Dr. Rick Smith his plan was to resign from the COG during the next SWCCOG meeting, November 4th, 2011. Both of these concerns are for the COG to decide if there is a conflict of interest and to see the input. It was also mentioned that there will be a selection committee, "screening committee", which includes: Rick Smith; City of Cortez, Eric Pierson; City of Durango, Greg Schulte; Archuleta County, David Bygel; La Plata County, Jason Wells; Town of Silverton, and Ed Morlan; Region 9 E.D.D. as a staff support role.

3.) Proposals for COG to invoice, collect & disburse City of Durango contracts

- Regarding the Dark Fiber IGA there were last minute changes in the payment/collection plans between the City of Durango and the La Plata County. The grant is the source of revenue and is used to build the

infrastructure since DoLA is funding 75% and local match will fund 25% this is how the payment will split, 75% to 25%.

- Another factor concerning leasing services is that once Cortez leases this service they may have more overhead and will have to be factored in to come up with a new formula. This will result in having more expenses to be counted into the revenue which will no longer make it 75:25 and this will need to be considered when constructing the sustainability plan.
- The group discussed where the IGA should have a one year term, an action item for the COG meeting.

4.) Report on Shared Infrastructure RFP - Selection Committee

- This RFP, which closed November 4th, 2011, was intended to target the following communities: Bayfield, Pagosa Springs, Silverton, and Dove Creek, but is not confined to those four locations because joint build opportunities are available to all communities within in the region. Mancos was also considered to be included but have not shown interest yet.
- In regards to hearing back from vendors most haven't responded, except for Fast Track, USA Communications, and Vidion. Fast Track expressed they will not be responding to this RFP with the assumption that they will be negotiating with the committee on the response to first RFP; their only interest is to reach out and hook up to their existing infrastructure in Bayfield. They do have a gap between Durango and Bayfield and are interested in a joint build in those terms. USA Communications have expressed interest in joint-building with Pagosa Springs, and being a service provider for Cortez. Brainstorm was another vendor that responded, there answer was vague with a "may or may not" respond. They were participants in the original response, so they are going to be included. As for Pagosa Springs, they have used double the budget that was allowed and if there isn't going to be a joint build then they will need to find another solution. Bayfield has the budget to build and if there is a good response than some of their budget can be redirected. Dove Creek is not anticipating anyone being very interested in Dove Creek's cable system. If Century Link turns out to not be interested and the communities end up coming short on funds, than the following are some options:
 - > First option is to Joint build with Farmers.
 - > Second option is to use the multi-mode fiber that runs with county and schools that Farmers has mentioned, but has failed to provide documentation.
 - > Third option is for Pagosa Springs to joint venture, and if that fails they could tap into residual funds with the Community College.
- Half of the Community College's budget has been reallocated to the Hub in Durango. Ed hopes to have other proposals to bring them that will allow their involvement in the project. The initial idea is that these funds are to close the gaps in the budget. There are some other options to close the gabs which include: design changes, reallocate funds, and change the funding to close the gaps.
- The recommended Shared Infrastructure selection committee includes the following: Chris LaMay, Town of Bayfield, David Mitchem, Town of Pagosa

Springs, Willy Tookey, San Juan County, Ernie Williams, Dolores County, Paul Recanzone and Ed Morlan would act as staff support. This committee is tailored to pull people from the different communities where the funds would be coming from. In the past the selection committee members were provided a written criteria and a summary of the past bids. Paul Recanzone, acting as staff support, intends to do a summary on this and will also include a judging rubric for scoring.

5.) Report on 2011 & 2012 Budget

- The revised budget went out and will be on the agenda for the COG meeting, Friday November 4th, and is only looking at the telecom portion of it. This new version will have \$3600 coming in for those contracts. There are other new line items inserted and they are “Sales” category and the “Cost of Sales” which includes \$40,000 and 25% will be for the Cost of Goods. Also, the General Manager position will potentially increase the revenue, but to have enough money for this position there were two things that were reduced. First, the Region 9 salary was reduced by roughly \$1000, and second was Sales.

6.) Update on SCAN Communities, Community Updates/Budget & Implementation

- Ed provided an update on SCAN communities. Ed stated that Mid-state sends an itemized bill that contains basic information, like who it's from and what it is. Another task he is still working on is sending out information to the different towns and counties itemizing the work to date. Ken Charles also stated to Ed that he wanted to make sure that there is communication with all the towns/communities about the budgeting for next year. Most of the towns that have put up the money in the beginning have been used to pay those bills. Based on original 25% it will be clearer to see as the costs are incurred.
- Concerning Ignacio the costs were way less than anticipated the original budget was around \$10,000. They already have the school loop and library hooked up, last is the fire station and beyond that it is done.
- Miriam became concern after her meeting with Paul and Brian when they overviewed the outlay of the fiber; they were not impressed. Their biggest concern was that they do not want the town to become liable with more than they bargained for concerning fiber that does or doesn't exist. Brian is aware of the broken fiber and the need to identify and repair, if needed. What is going to be proposed is that they do the fiber testing, so that the broken fiber is identified as soon as possible.

7.) Update on call with Century Link

- Ed has been participating with Broadband Knights of the Round Table and Monica Coughlin, the E. D. person at the Governor's Office of Information Technology, mentioned about a month ago that Century Link had called them and inquired about SCAN and what SCAN does. So, a call was arranged with Century Link (which contained around 5 people from Century Link, the VP, and 3 unknown people) and to summarize the call Century Link is cautiously pessimistic about what SCAN is going to do to them. Vice-versa, SCAN is

cautiously pessimistic about their participation with us. They did show concern about how hard it is going to compete with government funded projects, but SCAN's intent is not competing. They are skeptical to generate significant new usage of communication usages and concerned about potentially losing customers.

- Sharing conduit brought up with Century Link and conditions would have to be fulfilled before they would be involved in shared conduit. They also mentioned several times the competition of government dollars and concept of overbuild. If there is fiber to Dove Creek, then that becomes a two-fold question:
 1. First, can we access it?
 2. Second, at a reasonable price?
 3. If reasonable, then we should not look at overbuilding existing fiber.
- They say want to work with us, but they wanted to charge \$2000/month, which is not a price point where it is competitive. The meeting was to partner with them and it was perceived that they only wanted information from SCAN and they are not committed. As a word of caution they might be setting up for a legal challenge and should be careful whenever SCAN is working with them.

8.) Eagle-Net follow-up

- There has been written exchanges from the COG to Randy Zila. They pointed out constraints for federal grant and they did not jump at the chance, nor shut down the opportunity. Paul did visit with them in Denver and they expressed that his effort was very valuable and reset the relationship in a positive way. There have been sending conflicting signals because they state they are still in initial stages with network designs/engineering, etc, but the very next day sign a contract with Longmont. This shows that their focus is still on the Front Range and that they are paying very close attention to the greater metropolitan area. The only way to attract their attention is to get to the bottom line. The two main ways to attract Eagle-Net is first show them anchor institutions that will help them connect them with other anchor institutions and second is e-rate contracts. Overall, it has been decided that SCAN will move ahead with or without Eagle-Net.

9.) Other-

A. Broadband Knights of the Roundtable - SCAN presentation?

- Ed is working on presentation for the group presented on video links. It has been strategized that Paul would go in person to the meeting to have these video links for them. It hasn't been scheduled yet and they do meet once a month, there is one on 11/9 and another one in December. This group is good sources of information for state decision makers recognize that there is more than one fiber provider.

B. Open Access Seminar

- The idea was for Fast Track and other vendors that were in the previous meetings to give information on open access network. The main point was to state that vendors do not have to give up control. There is elected officials meeting that is tentatively planned at the beginning of the year and the

COG is planning to go over the legislatures. (Recommend to have timing would happen at the same time.)

- There was an affirmative response and a presentation on open access to the COG with SB 152. One issue is that SCAN may need to put a recommendation to have it. Who should be paid to do it? Mid-state? Region 9? The next step is to have a planning and this will be discussed on Friday at the SWCCOG meeting.

C. Old Business

> Hub equipment report - Usage Fee/Match

- There was a motion to adopt a usage approach to paying for hub equipment in Cortez and Durango. This puts the participated communities in a pro-rata basis and Paul would come up with an equation for a payment plan. The intent is to do a formula for the subscription fee; there won't be a charge in the absence of actual reliance on the hubs. There are two aggregation points: Durango and Cortez; the City of Cortez has already budgeted for their hub. The solution will be to find a way to equitably cover that cost and to shed light on the fact of utilizing those hubs.

> Business/Sustainability Plan development - Financial Analysis - Paul

- This sustainability plan will lay out the network and test the financial viability through a number of different variables. This is different from a business plan because this is a financial analysis it has nothing to do with marketing strategies, identifying potential customers, or dealing with legal ramifications it's intended to see the end result of those variables. Once SCAN retains a General Manager this will also be separate from this plan/development. This is still in draft form and pending.
- Some concerns following this plan are the lists provided of the potential customers with the same address identified twice. It was recently pointed out that almost half the addresses in Pagosa Springs were in there twice because of categorization.

• Statewide Internet Portal Authority (SIPA) - David Bygel

- > David suggested that there be an interface between SCAN and SIPA portal; where the SCAN network and SIPA could be integrated as one. Perhaps this would avail SCAN with what SIPA has to offer. Regarding the Financial Analysis, it did indicate that there are questions out there with potential users. Though the main focus is just to provide bandwidth and that this bandwidth should be sustainable. Some ideas to help differentiate SCAN from another internet provider would be to use SIPA as potential partner by using their model of developing services, which would possibly gain these potential users as customers. In the August 2011 meeting, SIPA presented that they are bringing in a lot of revenue and looking for potential investments. SIPA was mentioned to be doing similar to aggregate customers on a service level. Ed mentioned that John Connolly is director of SI PA and is also chairman of the board of Eagle-Net; he

will do a follow up and try to contact them.

- **3rd party entity/sub-entity to services non-profit communities**
 - > There was a suggestion to determine the need for this entity and if so it should be articulated. The main job right now is focus on the project at hand and to help solve the “gray area” regarding legal services. For this sub-entity/committee, the first step we be to identify the groups this project would like to serve; then to identify why we cannot serve them. Ed mentioned that this Telecom does report on this and this job could possibly be left up to the General Manager, as well.

10.) Agenda Items for COG meeting informational and action

- No comments/suggestions.

11.) Next Meeting of Committee

- Wednesday, November 30, 2011 from 3-4:30pm.

- Announcement/Proclamation
- Special Presentation
- Report

- Consent
- Decision

AGENDA SUBMISSION FORM
Southwest Colorado Council of Governments

Date of Board Meeting: 4 Nov 2011		<input type="checkbox"/>
Staff: Ed Morlan	Presentation Time: 5 minutes	<input type="checkbox"/>
Subject: Invoicing of Dark Fiber Lease	Discussion Time: 5 minutes	
Reviewed by Attorney? <input checked="" type="checkbox"/> Yes Attorney: Liberman <input type="checkbox"/> N/A <input type="checkbox"/> No fiscal impact		
Committee Approval <u>Telecom</u> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> N/A		

Background: The City of Durango will be contracting with private companies for dark fiber leases that involve the excess capacity of assets purchased with the DoLA grant funds and City of Durango/ La Plata County match funds. The companies currently leasing this fiber are Brainstorm and Cedar Networks. The attached Dark Fiber Contract will be between the City of Durango and the entity leasing the fiber. The City of Durango has asked that COG to perform the tasks of billing and payment collection, processing and disbursing the funds. The COG would essentially keep 75% of the revenue and remit 12.5% of the funds collected to the CITY, 12.5% of the funds collected to the County. This is the same as that of the grant revenue; 75% COG – 25% split between the City/County to purchase the assets. (There will need to be some “catch up” billing).

In discussing this with the attorney, he felt there should be some sort of IGA between the COG and the City reflecting this agreement and also including an attachment of simple policies and procedures pertaining to this (e.g. where to send the money, what if some one doesn't pay, etc.). The IGA should be ready by Nov. 1st and will be distributed to the COG Board.

Fiscal Impact: Each company leases 2 fibers for 2.25 miles. The city's price is \$60 per month per fiber per mile plus a \$50 per month Network Access Fee. So each company would pay \$320 per month (2 fibers X 2.25 miles = \$270 + \$50 access fee = \$320). These two companies have been using the fibers since July, so there is \$3,840 due in 2011 and \$7,680 for 2012. Seventy-five (75%) is the COG's and 25% is the City's. **The 2011 revised budget and 2012 budget will reflect line items for sales and cost of sales to include this situation.**

Recommended Action: To approve the COG to do the quarterly billing and payment collection for the city of Durango's dark fiber lease agreement. The methods of payment offered will be by cash, check or ACH auto debit, with 75% of the collection staying with the COG and 12.5% of the funds collected to the CITY, 12.5% of the funds collected to the County.

Additional action includes executing an Inter-Governmental Agreement documenting the terms of understanding for this relationship.

Accompanying Documents: Example Dark Fiber Lease Agreement template and a draft MOA

between the SWCCOG and the City of Durango for invoicing and payment collection and disbursement.

Southwest Colorado Council of Governments

November 4, 2011, 1:30- 4:00 p.m.

La Plata County Courthouse, Anasazi Room, Durango

Members Present:

Ron LeBlanc, City of Durango Miriam Gillow-Wiles, Town of Ignacio Greg Schulte, Archuleta County Ernie Williams, Dolores County (phone) Dan Ford, Town of Bayfield Shane Hale, City of Cortez Willy Tookey, San Juan County Chris LaMay, Town of Bayfield Tom Yennerell, Town of Mancos Ryan Mahoney, Town of Dolores Bobby Lieb, La Plata County Christina Rinderle, Durango Mayor

Staff/Consultants:

Ed Morlan Kathy Sherer Caitlin Riggs

Guests:

Paul Recanzone, Mid-State (phone) Gary Shaw, Ute Mountain Ute Tribe Darlene Marcus, Congress. Tipton's off. Kirsten Sackett, Colorado Housing Inc. Eric Pierson, City of Durango David Liberman, COG Attorney Ken Charles, DoLA Barbara Blundell, Habitat for Humanity Jen Lopez, Regional Housing Alliance

Call to order and Introductions:

The meeting was called to order at 1:30 p.m. by Dr. Rick Smith, Chair, who then announced his resignation from the Board due to a conflict of interest. He will be applying for the General Manager contract with the COG. Dan Ford, Bayfield, was in attendance to replace Dr. Rick on the Board. Tom Yennerell took over as Interim Chair and Dr. Rick Smith left the meeting. Shane Hale was introduced as the new representative for Cortez.

Additions or Changes to the Agenda:

The 2011 budget revision was not properly publicly noticed so the COG cannot act on it. It will be put on the December agenda.

Presentation - Southwest Housing Collaborative:

A presentation was given by Jen Lopez, Regional Housing Alliance; Kirsten Sackett, Colorado Housing Inc.; and Barbara Blundell, Habitat for Humanity. The participants in the Collaborative are Housing Solutions for the SW, Regional Housing Alliance, Colorado Housing Inc., Habitat for Humanity, SWCCOG, and Montezuma Housing Authority.

The project was initiated in 2009 when the Regional Council became interested in housing (for the same service area as Region 9). In the beginning of 2010, \$25K was received for a 5-county Needs Assessment and Housing Plan. A working group facilitated the hiring of someone to compile a Regional Needs Assessment. Economic Planning Systems was hired in June of 2010 for this purpose. The key findings showed that we needed a better understanding of what everyone else was doing, and there needed to be accountability and transparency between the agencies. It was found that one of the greatest needs in the region was for rental housing, especially for special needs populations.

There is a continuum of services in our housing community - from emergency subsidized housing to workforce housing - and everything in-between. No duplication of services was found, but there are gaps in service. An overview was given that showed what each agency does:

- o RHA/Homes Funds - home ownership counseling, mortgage assistance
- o Housing Solutions - HUD services, emergency assistance, Section 8 housing, weatherization
- o Montezuma County Housing Alliance - housing choice voucher programs, public housing units, rural development units, first-time home buyer class, self-sufficiency programs
- o Habitat for Humanity - buyer education & home readiness, 34 homes have been built thus far, second mortgage assistance
- o Colorado Housing Inc. - now in hibernation status, offered housing counseling, self-help housing program

Ryan Mahoney asked for an update from CHI regarding the property in the Town of Dolores. Kirsten said they are still figuring things out, but she will be meeting with people individually before any decisions are made on properties, (were there any next steps for the group?)

Public Hearing - 2012 Budget:

Tom Yennerell asked for public comment on the 2012 budget. Ernie Williams relayed concerns that he's heard regarding the COG's beginning fund balance in relation to expenses. The opinion is that the COG will be in the red by 2013.

Consent Agenda:

Ron LeBlanc made a motion to approve the 10/14/11 minutes and the October, 2011 Financial Report. Ryan Mahoney seconded and the motion passed unanimously.

Reports:

Tom Yennerell explained that these reports are given to the Board before the meeting, and discussion isn't necessary unless there are questions. Any item can be moved to decision if needed.

A. Management and Administrative Staff - no questions

B. Telecommunications

c. Alternative legal entity to lease SCAN excess capacity to non-profits

Ernie Williams said the Technical Committee felt that not much energy should be put into this right now because we already have our hands full.

d. Follow-up with PCC/SWCCC on telecom budget adjustment Ed Morlan said he met with the president of Pueblo Community College and briefed her about the SCAN project and proposed budget adjustments. He didn't press her for written confirmation regarding the budget change because alternatives are still being looked at. Greg Schulte pointed out that the COG minutes from 10/14/11 said the confirmation letter is supposed to come from the Board, not the president. It was agreed that it would be difficult to get a letter from the Board, and it should come from the administration. **Ron LeBlanc amended his earlier motion to accept the COG minutes from 10/14/11. On page 4, in the first paragraph, the change will read "...that written confirmation from the Community**

College must be received from the college administration.”

Ken Charles said the issue of how and when to re-allocate funds will keep coming up and suggested that a committee be formed to design a process to deal with it. Ron LeBlanc suggested looking at the process that the TPR uses. Ernie Williams said we might want to hang on to funds instead of re-allocating them in case we run over budget. Ken also suggested that a questionnaire be sent out to see who will be participating in 2012. Ed Morlan said he’s working on that.

h. Follow-up on call from Century Link

Bobby Lieb asked what it is that we don’t want Century Link to know (referring to page 3 of the Reports handout). Ed Morlan referred to a meeting about two years ago where a lawsuit was threatened in violation of SB 152. Ernie Williams said he felt that a lawsuit is immanent as we move ahead. Eric Pierson added that Century Link is very secretive about where their infrastructure is, and when we’ve approached them about leasing conduit or dark fiber, their cost (if a response is given at all) has been extremely expensive.

Decision:

A. Draft 2012 Budget

Ernie Williams asked how we can move ahead in 2013 when we show a fund balance of \$0 in 2012. He also asked what Board/Employee Appreciation (Acct. #5961) money is used for. No one knew what that account was for (Laura Lewis Marchino was not present). Bobby Lieb asked about Project Engineers & Management (Acct. #5642) with \$353K budgeted for next year. He wanted to know what still needs to be accomplished that would absorb that \$353K. Paul Recanzone explained that there are two parts to the Engineering piece - the up-front piece is design and the second piece is inspection and verification of the work. **Greg Schulte made a motion to adopt the budget for 2012 as proposed, with the exception of line item 5961 - that line item will be changed to \$0 and the \$300 will be added to the Fund Balance. Willy Tookey seconded and the motion passed unanimously.**

B. Approval of invoicing & payment collection for the City of Durango’s Dark Fiber Lease Agreements/IGA

Ernie Williams said this was discussed by the Technical Committee, and they don’t want this to set a precedence for how funds are collected - there may be times when the 75%/25% needs to be adjusted so that the COG is collecting more. Ed Morlan said that wasn’t the intention. **Willy Tookey made a motion to approve the IGA. Shane Hale seconded and the motion passed unanimously.**

C. Revision of 2011 Budget

This was moved to the December agenda (after public notice has been given).

D. Approve RFP scope of work for the SCAN General Manager

Paul Recanzone ended his phone participation in the meeting due to a conflict of interest. Paul intends to submit a proposal for this position jointly with Dr. Rick Smith. Ernie Williams had concerns with Paul submitting a proposal because he has already been

working on this project. Ed Morlan clarified that Paul contracts with Mid-State who is actually the project engineer. It was suggested that we wait until we receive the proposals to make any decisions on this. Attorney David Liberman said that Paul would not be in a position to influence decisions (like Dr. Rick Smith would have been) so he's less concerned about his applying for the position. He will check to make sure there wouldn't be any violation of the state procurement code. It was decided to wait and see Paul's proposal.

Ed Morlan asked if the closing date for the RFP should be in two weeks (Nov. 18) or in four weeks (Dec. 2). The Board wanted to know what efforts staff would be making to advertise the RFP. Ed said it would be advertised in the Durango, Cortez and Pagosa Springs newspapers, as well as on Rocky Mountain Bid-Net. Ernie Williams asked Ed to also put it in the Dove Creek Press. Eric Pierson suggested that it go to all the vendors who have been involved with this project. The Board was concerned that two weeks wasn't enough time. **Greg Schulte made a motion to issue the RFP with the submission of proposals due on Friday, December 2, by 5:00 p.m. Shane Hale seconded.** Ed Morlan asked for the deadline to be changed to 4:00 p.m. **Greg Schulte amended his motion to 4:00 p.m. Shane Hale seconded the motion passed unanimously.**

E. Approve Selection Committee for Shared Infrastructure RFP and GM RFP Staff recommended the following people for the Shared Infrastructure selection committee: Chris LaMay, David Mitchem, Willy Tookey and Ernie Williams. Paul Recanzone and Ed Morlan will provide staff support. **Ron LeBlanc made a motion to approve the selection committee as proposed. Shane Hale seconded and the motion passed unanimously.**

Staff recommended the following people for the SCAN General Manager selection committee: Rick Smith, Eric Pierson, Greg Schulte, David Bygel, Jason Wells and Ed Morlan (staff support). **Ryan Mahoney made a motion to approve the selection committee as proposed. Ernie seconded and asked for the motion to include that this is a screening committee, not a selection committee. Ryan agreed and amended his motion. Ron LeBlanc asked for the motion to include that any Board member is welcome to join the committee at a later time. Ryan agreed and amended his motion. The motion (with amendments) passed unanimously.**

F. Elect CARO Board representative

The SWCCOG is a member of the Colorado Association of Regional Organizations and each member has a Board and staff participant. Laura Lewis Marchino is the staff participant and current Chair of CARO. With Dr. Rick Smith resigning his position, another COG member needs to be appointed. Ed Morlan said an elected official is preferred but not necessary. Ryan Mahoney volunteered to fill the position. **Ron LeBlanc made a motion to approve Ryan Mahoney as the SWCCOG Board representative. Shane Hale seconded and the motion passed unanimously.**

G. COG input to state elected delegation

Nine COG Board members met with Senator Ellen Roberts, and Representatives Don

Coram and J. Paul Brown. Several issues were discussed including the severance tax, unfunded mandates, the Qwest Bill, Freedom of Information, and the beetle kill. **Ryan Mahoney made a motion to have the Legislative Committee of the COG discuss these topics and make recommendations to the Board. Ron LeBlanc seconded and the motion passed unanimously.** Regarding the severance tax, Ken Charles said Senator Roberts has requested that we send elected officials to Denver when the bill is being discussed - general letters of support aren't as effective. Ken said Senator Roberts also requested that we be specific about our concerns regarding the Qwest Bill. Bobbie Lieb said the Legislative Committee needs to keep in mind the COG's stated areas of interest when discussing these items.

Discussion:

A. Telecommunications Chairman Report

The Board had been provided with a copy of the minutes from the Telecommunications Committee meeting that took place on October 12th. Jason Wells was not present at today's meeting to give a report but Ernie Williams said the important items have already been covered during the course of this meeting.

B. December election of SWCCOG Officers

Ron LeBlanc and Willy Tookey comprise the nominating committee and they will bring a slate of candidates to the December meeting.

C. Approaching the TPR

Discussion has taken place regarding approaching the TPR about moving their contract under the SWCCOG. Ernie Williams said he and his fellow Dolores County Commissioners believe that this should be postponed until the telecommunications project is completed. He added that the TPR is functional and financially sound and doesn't want to be involved with any potential COG lawsuits. The Dolores BOCC also wants to wait and make sure the COG is going to be financially stable moving forward, therefore, they would oppose a move at this time and look at it on a year-by-year basis. Greg Schulte sees this topic intertwined with the January 4th Elected Officials Forum. A philosophical discussion needs to take place between the Elected Officials about what the future of the COG looks like - there are other possible categories of interest besides the TPR. Bobby Lieb said we need to be prepared for phase two of the COG before the telecom phase is completed or the COG will be out of business. Greg Schulte said he has offered himself as a candidate for Chair of the TPR for 2012.

D. January 4th Elected Officials Forum

Greg Schulte said the COG Administrative Committee will be working on setting up a (local) Elected Officials Forum in an effort to get more involvement from them. The committee consists of Greg Schulte, Ron LeBlanc, Tom Yennerell and Joanne Spina. Bobby Lieb will be filling in for Joanne when necessary. Gary Shaw asked that Tribal Council members be invited so they can learn more about the COG. Ron LeBlanc said that neither Tribe has approved a resolution in support of the COG, nor have they responded to an offer to have an ex-officio seat at the table. Gary replied that inviting them to the forum might help to move the Tribes forward in adopting a resolution. He

added that the Tribe's issue has been a concern with sovereignty. Greg Schulte said maybe it's time to extend another invitation to the Tribes.

Announcements:

It was decided that the next regular Board meeting will remain on Friday, December 2nd. The selection of a SCAN General Manager will take place at the January meeting.

Adjourn:

The meeting was adjourned at 3:50 p.m.

Minutes submitted by Kathy Sherer



Advanced Telecommunications Systems Network Policy

Mission Statement

The Mission of the Southwest Colorado Access Network "SCAN" is to:

Implement a regional telecommunications network that provides infrastructure to enable public offices to connect to one another within a community, and aggregate demand to purchase telecommunications services more effectively. This will enable public offices throughout the region to network and aggregate their service delivery.

Vision Statement

Local public offices control their own telecommunications destiny with a private network supported by publicly owned infrastructure on an open access network model that provides very high speed transmission and large amounts of bandwidth at reasonable costs. The network provides the ability to aggregate demand among community public offices that further enhances the ability to acquire telecommunications services on the most cost effective and efficient basis possible. The availability of excess capacity within an open access network model enables the private sector to extend advanced telecommunications systems access and services to businesses and residents into areas where previously not financially feasible.

Description of Regional Network Architecture

The Southwest Colorado Access Network (SCAN) will build a state of the art telecommunications network supported by publicly-owned or leased infrastructure to provide secure connections between participating community public offices including: government, education, law enforcement, search and rescue, medical facilities, and others.

The regional network will provide connectivity for Southwest Colorado Council of Governments (SWCCOG) members ranging from Pagosa Springs on the east, to Dove Creek on the west. The regional network will include two hub locations for the outlying communities and colleges to connect. The two regional hubs (Durango and Cortez) will be connected via a system that allows for secure traffic to flow from all areas of the region, utilizing the applications and systems necessary, without the issues of degrading the signal. . Each community will build an intra-community network to aggregate services at a common point. Aggregation of demand region-wide is a major goal of the project. Where feasible, each community aggregation point will connect to one or both of the regional hub sites. Upstream connectivity will be from the regional hubs, or from community aggregation points for communities where connectivity to the regional hub is infeasible.

Inter- and intra-community SCAN network segments may be: new construction executed by the SWCOG members; new construction executed by private carriers in partnership with the SWCCOG members; leased services from private carriers; or other deployments. High capacity connectivity at reasonable operational costs is the hallmark of the project. When feasible, fiber connectivity is preferred, but copper and wireless services will be considered where fiber deployment proves to be unrealistic.

The regional network will provide services for local governments. Furthermore, excess capacity in a logically separate open access / open services network will be made available for private service providers to utilize. Providing an open access / open services model is a requirement of the original DoLA grant funding. Logical service provider connections throughout the network should be accommodated.

Beliefs:

- The Southwest Colorado region that makes up the district of the SWCCOG is rural in nature, with populations that are often isolated from necessary services and infrastructure such as adequate advanced telecommunications systems. Not having access to advanced telecommunications systems service or adequate advanced telecommunications systems service and applications limit institutions, individuals and businesses from participating fully in the nation's economy, democracy, culture and society.
- Economic growth and educational development in southwest Colorado depend in large part on the range and quality of telecommunications services available to public and private institutions, businesses and residents.
- By aggregating demand in each participating community and throughout the region, SCAN will offer faster speeds, greater throughput, and the ability to deliver services in an efficient and cost-effective manner to SWCCOG members including, but not limited to: data transfer, application sharing, digital telephony, and other advanced digital services.
- Public funds allocated for advanced telecommunications systems development may be used to compensate for the lack of private advanced telecommunications systems investment in unserved and underserved communities, such as rural areas and low-income areas.
- Public funding should prioritize reaching communities that do not have access to advanced telecommunications systems, rather than rebuilding or overbuilding existing networks.
- Oversight, transparency, accountability, and public access information are important components of all advanced telecommunications systems development projects funded by tax payer's money.

Un-Served or Underserved

Un-served or Underserved can be defined by the following:

1. No service is currently available.
2. Cost of advanced telecommunications systems service currently available is 10% or higher than that of comparable service in a similar service area.
3. Current speeds available fail to allow organizations to utilize the applications necessary to conduct business.
4. Organization has no access to advanced telecommunications systems services due to hardware limitations.

When seeking public funds to service an organization, the SCAN entity should strive to:

1. Partner with private or non-profit service provider where possible and assist that provider in extending infrastructure to the organization to achieve optimal advanced telecommunications systems services;
2. Work with the service provider to ensure advanced telecommunications systems are available at an affordable rate for the target organization;
3. Work with service provider to ensure advanced telecommunications systems are available at optimal speeds for the targeted organization.

SCAN Access and Users

First Tier:

The first priority of the SCAN project is the advanced telecommunications systems connectivity of the SWCCOG membership.

First Tier users include all member entities in good standing at the time of the grant project agreement.

Town of Bayfield City of Cortez Town of Dolores Town of Dove Creek City of Durango Town of Ignacio Town of Mancos Town of Pagosa Springs Town of Rico Town of Silverton	Archuleta County Dolores County La Plata County San Juan County
--	--

First Tier organizations have full access to benefits and full participation in revenue and cost sharing.

Second Tier:

Second Tier users include all other governmental organizations such as special districts, and “other political sub-divisions under the State” to include public school districts.

- Access as participants in the purchasing consortium, as deemed appropriate by partnering local SWCCOG member organization;
- **Or**
- Access to the SCAN infrastructure only through a separate service provider.
- No revenue sharing is available to Second Tier organizations.

Third Tier:

Third Tier organizations include all other users including Non-Profit Organizations and Private Enterprise. The SCAN network may deliver dark fiber for third tier connection to the network infrastructure only through a separate service provider.

- No cost sharing is available to Third Tier organizations.
- No revenue sharing is available to Third Tier organizations.

In the case where no private or non-profit service provider can or will offer advanced telecommunications systems service within a acceptable time frame to un-served or underserved organizations or populations, the SCAN reserves the right to extend advanced telecommunications systems access directly as allowable by state law.

General Operations

Member organizations are encouraged to utilize the SCAN Network to collaborate with other member organizations to share services or software, and to offer any such collaboration to all member organizations.

If the member organizations wish that agreements be developed, software or services researched or developed or administered by SCAN staff, an administrative fee will be required, based on actual usage and cost. If the member organizations wish to support and administer the project, they will do so with their own staff and at no additional payment to the SCAN administration.

If a community chooses to release funds back to the SWCCOG for other communities or if a community elects to use additional DoLA grant funds, it's administration fee will be adjusted accordingly. Any funds released will be reallocated in accordance with the SWCCOG Reallocation Policy. For funds from the 2010 DoLA grant, communities must agree to utilize funds or request return for reallocation by March 31, 2013.

SCAN Operation Fees

To operate and maintain the SCAN, a system of fees will be negotiated on a bi-annual basis. This negotiation will take place in September finalized in October in odd number years to reflect the actual cost of operating and maintaining the system.

Fees will be based on:

Ramp Fee (Connectivity Fee)

- Fee covers Network maintenance (staff hours and fiber).
- Ramp Fee is to be paid by all “original SCAN participants” , consisting of member organizations or other entities who use(d) the DoLA funds to build or connect to the SCAN who connect to the SCAN Network.
- This fee will be re-evaluated bi-annually to determine what is necessary for maintenance. At such a time that this fee is no longer needed to maintain the system, the fee will be reduced or eliminated.

Internet Bandwidth Usage

- Fee covers cost of Internet & Transport (port fees).
- SCAN General Manager will determine usage fee per term of lease based on real cost.

Internet Admin Fee

- Fee covers cost of routers & equipment.
- Leased Assets
Revenue from fiber IRU's with vendors. If the member organizations wish that agreements be developed, and services researched or developed or administered by SCAN staff, an administrative fee will be required. Fees paid for SCAN administration will be based on a 5% of gross revenue, with additional fees negotiated as needed on the bi-yearly fees resolution schedule.

E-Tics Software

- Direct payment for service from SWCCOG Members.

Other

- Payment for services from SWCCOG members (such as: credit card payment systems, voice systems, admin costs on joint projects etc.).

Fiber Repair Fund

A fiber repair fund is to be developed utilizing budget funds. This fund shall hold a minimum of 8% of the total operational costs, and not to exceed 16 %. Once the fund is established, the overall cost to members to fund the SCAN will be reduced. This fund is to be used to cover expenses in the case of damage or destruction of the SCAN fiber system, hardware and software. These funds are intended to be used for the immediate repair, and will be replaced as quickly as possible by the member organization utilizing the fund.



Resolution 13-03

Resolution to Adopt the SWCCOG SCAN Fee Schedule for 2013-2014

WHEREAS, the Southwest Colorado Council of Governments (SWCCOG) received a 3 million dollar grant to connect all municipalities and counties in the region with a fiber network (SCAN); and

WHEREAS, the member entities of the SWCCOG agreed to a 25% match of grant funds to complete the network; and

WHEREAS, the \$4 million dollar investment will facilitate the connectivity with a series of fiber loops that will be owned by the member jurisdiction where the fiber is located; and

WHEREAS, the fiber connection will allow member jurisdictions to collaborate, share services and products, and to aggregate services and products; and

WHEREAS, the fiber connection will be utilized jointly, with shared equipment and with the potential of shared services; and

WHEREAS, some accumulated maintenance and repair of common elements such as switches and other devices will need to be coordinated and completed; and

WHEREAS, some services and products will need to be developed, coordinated, and otherwise facilitated; and

WHEREAS, a cost sharing model to operate and maintain the network will be utilized, and a system of fees will be negotiated on a bi-annual basis. This negotiation will take place in September, and will be finalized in October in odd number years to reflect the actual cost of operating and maintaining the system.

NOW, THEREFORE, BE IT RESOLVED BY the Board of Directors of the SWCCOG, Colorado:

That the SWCCOG's SCAN fee schedule in Exhibit A be adopted.

ADOPTED, this 1st day of February, 2013

Attest: _____

Bryce Capron, Chairman of SWCCOG

Exhibit A – 2013 – 2014 SWCCOC SCAN Fee Schedule:

Ramp Fee (Connectivity Fee) \$75.00 per month or \$900.00 per year

- *Fee covers Network maintenance (staff hours and fiber).*
- *Ramp Fee is to be paid by all “original SCAN participants,” consisting of member organizations or other entities who use(d) the DoLA funds to build or connect to the SCAN.*
- *Ramp Fees will be paid by any original SCAN participants that connect to the SCAN Network.*
- *This fee will be re-evaluated bi-annually to determine what is necessary for maintenance. At such a time that this fee is no longer needed to maintain the system, the fee will be reduced or eliminated.*

Internet Bandwidth Usage - \$2.50 dollars per Mg.

- *Fee covers cost of Internet & Transport (port fees).*
- *SCAN General Manager will determine usage fee per term of lease based on real cost.*

Internet Admin Fee - \$1.50 Dollars per Mg.

- *Fee covers cost of routers & equipment.*

Leased Assets

Revenue from fiber IRU's with vendors. If the member organizations wish that agreements be *developed, and services researched or developed or administered by SCAN staff, an administrative fee will be required. Fees paid for SCAN administration will be based on 5% of revenue, with additional fees negotiated as needed on the bi-annual fees resolution schedule.*

E-Tics Software \$8400.00 to be shared by the City of Cortez and Durango/La Plata County

- Direct payment for service from SWCCOG Members.

Southwest Colorado Council of Governments

SCAN Policies and Procedures

Adopted: 12 December 2014

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PURPOSE

The purpose of this document is to create a set of policies and procedures that will govern the chain of command, the operations, billing, and the use of the Southwest Colorado Access Network (SCAN). As the network is flexible to change with the changing needs of the participating communities, this document shall be revised to reflect any changes.

BRIEF HISTORY

The SWCCOG was formed in December 2009 to apply for funding to create the SCAN. The Department of Local Affairs awarded a three million dollar grant, which was matched with a little over one million dollars locally to develop and build fiber loops in Archuleta County, Town of Bayfield, City of Cortez, Dolores County, Town of Dolores, City of Durango, Town of Ignacio, La Plata County, Town of Mancos, Town of Pagosa Springs, San Juan County, and the Town of Silverton.

SCAN EXPENSES AND REVEUES

In 2013 the SWCCOG signed a contract with FastTrack to provide connectivity (internet service) and transportation across the SCAN network to the local governments who wished to purchase it through the SWCCOG.

COSTS OF SERVICE

Service	FastTrack Cost	SWCCOG Revenue	Total Cost to Local Governments
Internet Connectivity	\$8.00/Mbps	\$2.00/Mbps	\$10.00/Mbps
Transport Fee	\$50.00/Month per 10Mbps	\$0.00	\$50.00/Month per 10Mbps
IP Addressing	\$10.00/Month for any number of IP addresses	\$0.00	\$10.00/Month for any number of IP addresses
Network Redundancy	\$3.85/Month	\$0.00	\$3.85/Month

The IP addresses are currently leased from FastTrack, after the SWCCOG has used them for enough time the SWCCOG will be able to purchase the IP addressing blocks and the local governments will own their IP addresses outright.

Communities on the west side of the region started purchasing their connectivity through the City of Cortez, though the transport fees and IP addressing fees are through the SWCCOG. To maintain equity, the City of Cortez charges the same rates as FastTrack, with the same \$2.00/Mbps due to the SWCCOG.

CONNECTION TO THE SCAN

As the SCAN does not have a dedicated administrator at this time, the Executive Director acts as the administration, with Technical Support Team, comprised from the Cities of Cortez and Durango, as well as La Plata County IT departments. Outlined below are the steps to take in order to connect to the SCAN.

- 1) The MOU between the SWCCOG and the local government is signed by both parties.
- 2) Contact the SWCCOG Executive Director at director@swccog.org, the Executive Director will send over the Service Order Summary for the requestor to fill in the amount of connectivity, IP addresses are needed, location of connection, and desired date of connection.
- 3) The Executive Director will identify IP address blocks, and ensure the Service Order Summary is fill out correctly. The Executive Director will pass the Service Order Summary along to the original requestor and the Technical Support Team.
- 4) The Technical Support Team will then work with the local community (and their IT staff/contractor, if available) to configure and implement the internet and/or transportation connection. They will notify the Executive Director when the local government is connected and can start being billed.
- 5) Any connections to the SCAN must be included on an up to date network map, which will also include, community names, IP addresses, physical location of equipment, and any other necessary information.
- 6) Any changes to service should be sent to the Executive Director, these will be reflected at the next billing cycle.

EXAMPLE OF SERVICE ORDER

This is the basic information required to create, update, and bill for the SCAN connectivity and transport. IP address blocks will be listed to help track IP address use. All figures below are per month.

Description	Quantity (Mbps)	Amount per Mb	Monthly Charge per Mb	Transport Fee	Number of IP Addresses	IP Addressing Fee
Example Community	20	\$10.00	\$200.00	\$100.00	10	\$10.00
IP Addresses:						
			\$200.00	\$100.00		\$10.00

Monthly Total **\$310.00**

SCAN BILLING

Although the Service Order is in monthly increments, The SWCCOG will bill based on a quarterly basis, due at the beginning of the quarter. Payment can be remitted via check or EFT. Please contact sara@swccog.org for more

information on either payment via EFT or checks. The invoices will be emailed out to the designated person(s) on the Service Order.

DARK FIBER LEASES

The entities with leases for dark fiber that participated in the DOLA telecom grant can opt to have the SWCCOG maintain the billing for the leases. However, all dark fiber leases on fiber installed with the telecom grant will be split 75-25, with 75% going to the community that owns the fiber and 25% to the SWCCOG. This was established with the SWCCOG and the City of Durango, and the 75-25 split was decided upon in 2013.

The SWCCOG invoice the ISPs and will remit any payments on a quarterly basis. The community owning the fiber is responsible to administer a Dark Fiber Lease and/or Master Service Agreement of some sort with the ISP(s) leasing dark fiber. The local government with the Dark Fiber Leases must provide a copy and update any changes in a timely manner to the SWCCOG Executive Director.

REDUNDANCY AND THE SCAN

There are two hub routers in Cortez and Durango which comprise the backbone of the SCAN network. These routers are how the local routers connect to the internet and to other communities to share applications and software. They are configured to automatically pick up the traffic if one of them fails, and are vital to the operation of the network. For this reason, there is an XXMbps link between the two routers. At 10Mbps each of the 13 entities pays \$3.85/month for this regional redundancy. As bandwidth is increased above 10Mbps, the communities utilizing the larger bandwidth will pay the additional charge at the standard \$50 per 10Mbps established by the SWCCOG and FastTrack contract.

These routers are the property of the City of Durango and La Plata County (jointly) and the City of Cortez. They were paid for out of the DOLA telecom grant. The City of Cortez router was installed in 2012, while Durango's was installed in 2013. Three years after the respective installation dates, the router maintenance contracts with Cisco must be renewed at about \$27,000. The SWCCOG should consider options for replacement of the hub routers no later than 2022.

Cortez – 2012, 2015, 2018, 2021, 2024

La Plata/Durango – 2013, 2016, 2019, 2022, 2025

Document Control

Issue Control			
Issue	1.1	Date	22 Nov 2014
Classification	Confidential	Author	MGW
Document Title	SCAN Policies		
Approved by			
Released by			

Issue Control			
Issue	1.2	Date	12 Dec 2014
Classification	Public	Author	MGW
Document Title	SCAN Policies		
Approved by			
Released by			

Owner Details	
Name/Title	Miriam Gillow-Wiles, Executive Director
Contact Number	970-779-4592
E-mail Address	director@swccog.org

Revision History			
Issue/Section	Date	Author	Comments
1.0	11/18/14	MGW	Initial Draft
1.1	11/23/14	MGW	Updates from Eric Pierson
1.2	12/12/14	MGW	Board Approval

**MEMORANDUM OF AGREEMENT
BETWEEN
SOUTHWEST COLORADO COUNCIL OF GOVERNMENTS
AND _____ (A LOCAL GOVERNMENT) FOR EXCESS CAPACITY CONTRACT
INVOICING OF PRIVATE PARTIES, COLLECTION OF PAYMENTS AND DISBURSEMENT
OF FUNDS**

THIS AGREEMENT made and entered into this ____ day of _____, 2015, by and between the SOUTHWEST COLORADO COUNCIL OF GOVERNMENTS (hereinafter referred to as “SWCCOG”), whose address is PO Box 963, Durango, CO 81302, and its member local government, the _____ (hereinafter referred to as the “LOCAL GOVERNMENT”), whose address is _____, concerning Dark Fiber Lease Agreements As To Excess Capacity, with regard to invoicing private parties, collection of payments, and disbursement of funds, who do hereby state and agrees as follows:

PREMISES:

The SWCCOG recognized a need to improve telecommunication capabilities, capacity, reliability, and availability in the five county region in order to affect economic development, improve community anchor institutions efficiency and accessibility, and reduce telecommunication costs for community anchor institutions; and

The SWCCOG was the recipient of a Colorado Division of Local Affairs (hereinafter referred to as “DOLA”) grant for telecommunication infrastructure improvements; and

The SWCCOG initiated and recently completed the Southwest Colorado Access Network (SCAN) project to provide telecommunication connection in participating communities to a regional network through a variety of economically viable and sustainable models; and

The LOCAL GOVERNMENT is a SWCCOG member; and

A portion of the DOLA grant resulted in excess capacity that the LOCAL GOVERNMENT has determined is insubstantial relative to the capacity utilized by the LOCAL GOVERNMENT for its own purposes, and which the LOCAL GOVERNMENT has decided to lease to private parties in a non-discriminatory non-exclusive and competitively neutral manner; and

The LOCAL GOVERNMENT wishes to have SWCOGG assist the LOCAL GOVERNMENT in implementing the LOCAL GOVERNMENT’s Dark Fiber Lease Agreements As to Excess Capacity (“EXCESS CAPACITY CONTRACTS”) with regard to invoicing private parties, collection of payments, and disbursement of funds; and

It is desirable to describe in greater detail and to further specify invoicing, collection of payment, and disbursement of funds procedures between the SWCCOG and the LOCAL GOVERNMENT concerning EXCESS CAPACITY CONTRACTS.

NOW, THEREFORE in accordance with the above recitals, the SWCCOG and the LOCAL GOVERNMENT do hereby agree:

1. Policy.
The attached policy, Exhibit A, concerning invoicing, collection of payment, and disbursement of funds concerning EXCESS CAPACITY CONTRACTS shall be followed by the parties hereto. Under no circumstance is the SWCCOG required to incur cost or legal fees in pursuit of or collection of delinquent accounts.
2. Subject Contracts.
The Local Governments EXCESS CAPACITY CONTRACTS that are the subject of this MOU are attached hereto as Exhibit B. They shall specifically provide for SWCCOG invoicing and collection of payment.
3. Effective Date, Term and Termination.
This agreement shall become effective upon the date of the last signature by the authorized representative of both parties. Subject to annual appropriations, this MOU shall automatically renew unless either party opts out of the renewal at least 30 days prior to the anniversary date of this agreement. Additionally, either party may terminate this memorandum of understanding at any time by providing the other party written notice 90 days prior to termination, with or without cause. .
4. Payment and Disbursal of Funds
The SWCCOG will disburse 75% of the funds received from the private parties (gross revenues) to the LOCAL GOVERNMENT, and the SWCCOG will retain 25% of the funds collected (gross revenues) as its payment for services provided hereunder. Payment by the SWCCOG to the LOCAL GOVERNMENT shall be quarterly and in arrears of the receipt of funds.
5. Indemnification
The LOCAL GOVERNMENT shall indemnify, save, hold harmless, and defend the SWCCOG and all its officials and employees from any and all liability, claims, demands, actions, and attorney fees arising out of, claimed on account of, or in any manner predicted upon loss or damage to the property of, injuries to, or death of all persons whatsoever or which may occur or be sustained in connection with performance or non- performance of this contract to the extent permitted by law. Notwithstanding, each party is responsible for any damage caused as a result of the acts or omissions of that party's employees, agents, or representatives.
6. Governmental Immunity
The party's hereto do not waive their governmental immunity.
7. Breach
Any failure of either party to perform in accordance with the terms of this agreement shall constitute a breach. Failure to cure the breach within thirty business days after written notice to the address contained herein shall be grounds for the non-breaching party to terminate this agreement and exercise all legal remedies available. All obligations to pay damage or loss, and to indemnify shall survive termination. Any dispute concerning the performance or interpretation of the MOU which cannot be resolved by the designated points of contact or their immediate superiors shall be referred to the party's chief administrative officer (Town/City/County Manager or SWCCOG Executive Director). If

the matter is not resolved within 45 days after referral, either party may file legal action. Any litigation will be filed in District Court of La Plata County or if federal law applies, in the applicable Colorado Federal District Court.

8. No Special Damages.

Notwithstanding any other provision hereof, neither party shall be liable for any damages for loss of profits, loss of revenues, loss of goodwill, loss of anticipated savings, loss of data or cost of purchasing, replacement services, or any indirect, incidental, special, consequential, exemplary or punitive damages arising out of its performance or failure to perform under this Agreement.

9. It is understood and agreed that this Agreement does not establish a separate legal entity, nor does it make any party as an agent of any other party for any purpose whatsoever. The LOCAL GOVERNMENT shall be responsible for all installation, maintenance and operation costs related to its own dark fiber equipment, property, infrastructure, and for negotiating the terms of its own EXCESS CAPACITY CONTRACTS. No representation is made by the SWCCOG as to the enforceability of any term of the EXCESS CAPACITY CONTRACTS.

10. Annual Appropriation

It is understood and agreed that each party's performance shall be subject to appropriation of funds by governing body, and payment of such funds into the treasury of such party.

11. Costs of Performance.

Each party shall, at all times, and subject to annual appropriation, be responsible for its own costs incurred in the performance of this Agreement, and shall not receive any reimbursement from any other party, except for third party reimbursements.

12. Severability

It is understood and agreed by the parties hereto that if any part, term or provision of this Agreement is by the courts held to be illegal or in conflict with any law of the State of Colorado, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular part, term, or provision held to be invalid.

13. Construction

Each and every term, provision, or condition herein is subject to and shall be construed in accordance with the provisions of Colorado law, the Charters of the various parties, and the ordinances and regulations enacted pursuant thereto.

14. Assignment

This Agreement may only be assigned with the express written consent of the parties, and will thereafter be binding upon the successors and assigns.

15. Third party beneficiaries

It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the named parties hereto, and nothing contained in this Agreement shall give or allow

any such claim or right of action by any other or third person on such Agreement. It is the express intention of the named parties that any person other than the named parties receiving services or benefits under this Agreement shall be deemed to be an incidental beneficiary only.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement the day and year first above written.

AGREED:

LOCAL GOVERNMENT

Name, Title

Date

SOUTHWEST COLORADO COUNCIL OF GOVERNMENTS

Miriam Gillow-Wiles, Executive Director

Date

EXHIBIT A

- Local Agency shall be responsible for:
 - Installation, maintenance, and operation costs related to its own equipment
 - Providing copies of the Dark Fiber Leases as Exhibit B to this MOU

- The SWCCOG shall be responsible for:
 - Quarterly billing in advance of usage
 - Quarterly remittance to Local Government in arrears
 - Manage and maintain Dark Fiber Leases

- Cost of Dark Fiber Leases shall be \$60/mile

Southwest Colorado Council of Governments
January Board Meeting
09 January 2015
La Plata County Court House

Board in Attendance:

Dick White – City of Durango
Andrea Phillips – Town of Mancos
Ernie Williams – Dolores County
Michael Whiting – Archuleta County
William Tookey – San Juan County
Lee San Miguel – Town of Ignacio
Chris LaMay – Town of Bayfield
Greg Schulte – Town of Pagosa Springs
Shane Hale – City of Cortez – (Via Phone)
Julie Westendorff – La Plata County
Michelle Nelson - Town of Bayfield
Joe Kerby – La Plata County
John Egan – Town of Pagosa Springs

Staff in Attendance:

Miriam Gillow-Wiles – Executive Director
Sara Trujillo – Assistant/Accountant

Guest in Attendance:

James Torres – La Plata County IT
Dr. Rick Smith – Representing the Association
Ken Charles - DoLA
Sarah Rank – 4CORE
Eric Pearson - City of Durango IT
Darlene Marcus – Congressman Scott Tipton’s Office
John Whitney – Senator Michael Bennet’s Office

I. Call to Order

The meeting was called to order at 1:35pm; everyone introduced themselves.

II. Disaster Recovery Panel Presentation: Ken Charles

There will be a meeting held January 29 at the La Plata County Fairgrounds presenting a Colorado Disaster Panel. This meeting was spurred by the flooding disaster in the North Front Range. Please email your RSVP to trevor.denney@state.co.us. The meeting is free and lunch will be provided.

III. Consent Agenda: Minutes & Financials

Motion to approve minutes and financials as presented: Michael Whiting, Second: William Tookey. Passed by a unanimous voice vote.

IV. Discussion Items:

Broadband Non-Profit:

In trying to figure out how to use the SCAN network but unable to do so because of SB152, it has been found that a non-profit status is a work around. The options, if the COG chooses, would be to partner with a non-profit to gain 501C3 status or the COG can set up or change

its own status to a 501C3. The following chart depicts the pros and cons discussed for the two options:

Partnering with an already established non-profit:

Pros	Cons
SB152 work around	Legal risks
No set up costs	

COG sets up or changes its own status to non-profit:

Pros	Cons
SB152 work around	Work around may be recognized and diverted in the near future by additional and change in regulations
Access to non-profit grants	Limits access to some grants and to lobby
	Costly to set up

The COG's position is to repeal SB152 or make necessary modifications to allow communities to operate. Because future legislation is unknown, Miriam is to follow any changes with SB152 and gather information to report on what direction the legislation is heading.

V. Decision Items:

4CORE CNG Letter of support: Sarah Rank

4CORE is seeking a letter of support on behalf of Spark natural Gas to cover equipment costs to set up CNG fueling station. This letter will enhance their application. Discussion involved the need for alternative fuels filling stations, and updating the letter so the COG may support other stations in the future as well.

Motion to provide a letter of support to 4CORE: Michelle Nelson, Second: Ernie Williams. Passed by a unanimous voice vote.

Bobby Lieb Letter of Support:

Bobby Lieb will be applying for the position of Director of Department of Local Affairs and is asking for a letter of support for his application.

Motion to provide a letter of support to Bobby Lieb: Ernie Williams, Second: Michael Whiting. Passed by a unanimous voice vote.

Resolution 2015-01:

This resolution authorizes Julie Westendorff as new signature authority as treasurer of the COG.

Motion to approve resolution: William Tookey, Second: Lee San Miguel. Passed by a unanimous voice vote.

MOU for Dark Fiber Leasing:

A basic MOU template was created for dark fiber leasing. MOU can be modified to accommodate specific community details. The board would like to see each individual contract for approval versus having a basic template for all communities as verbiage used would need to be changed for each entity and contract.

Motion to table this item until the February meeting where a draft can be put in front of respective boards for feedback: Michael Whiting, Second: John Egan. Passed by a unanimous voice vote.

AAA – SWCCOG MOU for bookkeeping:

The AAA board did not approve the bookkeeping contract. This item has been tabled on the AAA agenda until March, 2015.

Motion to table this item until the AAA approached the COG: John Egan, Second: Michael Whiting. Passed by a unanimous voice vote.

Telecom Grant Opportunities:

Two grant opportunities are available. The first being a USDA grant. Upon further investigation, Miriam does not feel a USDA grant would be a good fit at this time for the COG. The minimum grant is \$100,000 and 15% would be required as match, which is not obtainable at this time. The second opportunity is an IBM Smarter Cities grant. This will be a more competitive grant but if we apply as a rural region we would have a greater chance. This grant would allow for an IBM professional to come in and evaluate how well we use our telecom networks and provide technical assistance for how to use our network more effectively. This will be an intensive 3-week analysis where IT staff would be included. This grant must be written by February 6.

Motion to authorize Miriam to apply for IBM Smarter Cities grant: Julie Westendorff, Second: Lee San Miguel. Passed by a unanimous voice vote.

VI. Reports:

Director's Report:

RREO:

There will be a meeting held January 27 from 9am – 11pm at the Carnegie Building to present the data compilation from the waste sorts. Local government and private service providers working on recycling will be coming. A final presentation will be scheduled around the May-June time frame.

P/T Assistant:

We may be bringing on a part-time assistant to help with administrative assistant tasks. However, with the AAA contract not being obtained, Sara's time will not be as constricted, so a part-time assistant may not be needed. More discussion of this assistant position will be had and budget assessed for feasibility with an additional employee.

TPR/Transit:

The Ute Mountain Ute Indian Tribe received a grant to do transit planning and is interested in working with the COG on this endeavor. The tribe is also interested in both broadband and recycling.

Time did not allow for community updates.

Adjourned at 3:30pm

Opt Out Election Expenditures

25%

Total income from dark fiber leasing 2015 (25%)	\$ 4,433.75
SB152 Printing (flyers) as of October 2015	\$ 900.00
Miriam salary as of 10/30/15	\$ 1,143.22
Mileage to Silverton	\$ 55.18
Flyer Creation	\$ 362.50
Total income 2015	\$ 4,433.75
Total expenses as of October 2015	\$ 2,460.90
Total revenue as of October 2015	\$ 1,972.85

5%

Total income from dark fiber leasing 2015 (5%)	\$ 886.75
SB152 Printing (flyers) as of October 2015	\$ 900.00
Miriam salary as of 10/30/15	\$ 1,143.22
Mileage to Silverton	\$ 55.18
Flyer Creation	\$ 362.50
Total income 2015	\$ 886.75
Total expenses as of October 2015	\$ 2,460.90
Total revenue as of October 2015	\$ (1,574.15)

SCAN Income and Expenses

2016 (Projected)

Income

Dark Fiber Leasing		
Fast Track	\$	1,159.00
Brainstorm	\$	960.00
Cedar Networks	\$	1,635.00
Skywerx	\$	680.00
<i>Subtotal</i>	\$	<i>4,434.00</i>

Telecom Services

Town of Bayfield	\$	5,520.00
La Plata County	\$	1,200.00
Town of Mancos	\$	720.00
Town of Dolores	\$	720.00
City of Cortez	\$	432.00
City of Durango	\$	120.00
<i>Subtotal</i>	\$	<i>8,712.00</i>

Income Total \$ **13,146.00**

Expenses

Fast Track	\$	10,800.00
Miriam's Time	\$	12,567.50
Sara's Time	\$	320.00
Expense Total	\$	23,687.50

Net Income/Loss \$ **(10,541.50)**

<i>Miriam's Time (2015)</i>
Average of 19 hrs/month
Does not include travel expenses
Supports:
State Legislation and Policy
Statewide Advocacy
Regional Advocacy
Media Interaction
Local Technology Planning Team
SB05-152 Opt Out Election
Developing and Research of Policies



DOLA Grant Extension

To: SWCCOG Board of Directors
From: Miriam Gillow-Wiles
Date: 6 Nov 2015

Comments: DOLA Grant 7645, the 2015 Technical Assistance Grant is nearing the end date, but is not close to being spent. There are several reasons for this, which include:

- Low overhead of labor for the Transit Compilation Study due to the use of the CU Denver MURP Intern.
- Lack of movement on the IT Shared Services from the seven participating communities and counties.

Attached is the letter to request an extension of these funds to June 30, 2016. However, the internal goal is to spend these monies down by the end of the first quarter. Unfortunately, because we have not had much movement with this grant, this might negatively impact our ability to receive the full \$100,000 request for the 2016 DOLA Technical Assistance grant. Because of that reason, we need to make a very concerted effort to get this money spent.

We will be spending the IT Shared Services on projects for the communities and counties that participated. The money earmarked for Transit in the region will either be dedicated to developing staff for Transit support and/or used to develop mini grants to the member jurisdictions operating transit agencies.

Recommended Action: Approve Request for Extension



SOUTHWEST COLORADO COUNCIL OF GOVERNMENTS

6 November 2015

Ken Charles
DoLA Regional Manager
1000 Rim Drive
Durango, CO 81301

Re: EIAF contract #7645 –Southwest Colorado Council of Governments

Dear Mr. Charles,

The SWCCOG is writing to request an amendment to extend EIAF Grant 7645 contract completion date to 30 June 2015.

Project Status:

The Southwest Colorado Council of Governments (SWCCOG) had several goals for the 7645 grant: IT Support Shared Services, Transit, and Recycling. Please see the attached document for the status update of each project within the grant along with the amount of money to spend, including grant, cash match, and in-kind funding.

Reasons for request:

During the FY 2015 year there has been movement on some aspects of this grant, and a slower pace for other aspects of the grant. The Recycling project of this grant has almost been exhausted, with continued work on recycling and recycling taskforce meetings continuing. However, the IT Shared Services and the Transit sections of this grant have been under-utilized over this year. The IT Shared Services projects for the communities are expected to be scheduled over the next month and then started as soon as possible. Some of these projects are large in scope so they may take a longer length of time to complete. Ideally the IT projects will be close to wrapping up by the end of the first quarter. Although the budget is \$12,000 and to-date none of that has been requested for reimbursement, we have \$4,000 in motion to support studies and data collection in the region. This leaves \$8,000 for Transit still. The original grant was written to support a study, however the region would benefit from the reclassification of this money to be spent on activities other than studies. The Transit Council has decided they do not want to spend any more funding on studies at this time. The SWCCOG would like to spend this funding on the following based on the Transit Council goals and needs:

- Video conferencing equipment
- Support for existing transit providers for marketing
- SWCCOG staffing to support the Transit Council, including education regarding rural transit

All of the unused funding will be spent down in the coming months and throughout the beginning of 2016, with a target date of March 31, 2016. Although both of these projects should be complete by the end of March 2016; the request to extend the grant to June 30, 2016 will ensure that all projects are completed. We are not requesting to change funding for the different line items, but just an extension to ensure the projects are completed.

We appreciate your consideration of our request.

Sincerely,

Richard E. White
SWCCOG Board Chair
Southwest Colorado Council of Governments

Update of DOLA 7645 - SWCCOG Technical Assistance Grant 2015

IT Support Shared Services - \$42,775 DOLA Funds, \$14,000 Cash Match, and \$1,676 In Kind to spend

- The SWCCOG advertised an RFP and contracted with ThinkNetworks, based in Durango, to do the IT Support for the seven jurisdictions of: Bayfield, Dolores County, Town of Dolores, Ignacio, Pagosa Springs, San Juan County, and Silverton.
- An assessment of each jurisdiction was completed summer of 2015. These assessments looked at everything from physical security, internet security, aging infrastructure, aging equipment, utility billing software, online payment ability, and even meter reading software.
- Through these assessments the participating communities and counties had a list of five updates that were of the highest priority. Some of these recommendations also included needed equipment.
- We are currently in the process of scheduling the communities and counties projects to get them started asap.

Transit - \$8,000 DOLA Funds, \$12,335 COG Cash Match to spend (through September, this will be significantly lower after the October draw request to CDOT).

- The SWCCOG had initially requested funding to put together a ridership study and a compilation of the multitude of existing transit studies.
- Hired Sam Starr, a Masters in Urban and Regional Planning student to complete the compilation as part of his Capstone project.
- The Compilation was completed June 2015 this report
 - o The 2015 Regional Public Transit Feasibility Report is the result of an extensive process of determining transportation priorities for the Southwest Colorado Council of Governments based on the evaluation of past plans, substantial literature review, and consultation with subject matter experts. In order to do so, three main objectives for the study were identified. These were:

Objective 1) Review earlier southwest Colorado regional transit plans and conduct extensive literature review to quantitatively determine which aspects of each plan are still valid in today's economic, demographic, and transportation climate.

Objective 2) Drawing from past plans and current transportation planning experts in the region, devise a regional public transportation route and identify which regional population demographics would be most likely to utilize the public transportation system, and which route would be most optimal.

Objective 3) Identify funding sources for the initial cost of start-up, and determine an estimate of what the cost of operations will be for the first year.

After drafting a research methodology, and conducting comprehensive analyses of the literature reviews, case studies, and past plans, three recommendations were identified

that would satisfy all three aforementioned objectives. The recommendations from this report include:

- Producing a vision plan for the SWCCOG, and a concurrent Action Plan for the Regional Transit Coordinating Council. This way, there can be a clear delineation of what the expected role of the SWCCOG will be in the coordination of Transportation and Human Services.
- Hire additional staff to focus on the coordination and funding of Regional Transit Coordinating Council projects. Currently the SWCCOG only employs two people and the addition of a transportation coordinator would greatly expand the efficiency and outreach of the Regional Transportation Coordinating Council.
- Establish a regional inter-city fixed route transit line from Cortez to Durango along US Highway 160. Although capital costs and first year operations costs would total 167,457.00, ample funding for rural transit is available through the Capital Investment Program, Enhanced mobility of seniors and individuals with disabilities program, Rural public transportation formula grant program, the Older Americans Act, and CDOT funding.

These recommendations represent the most viable actions for providing increased levels of regional public transit service for individuals with medical needs, the elderly population, commuting workers, and tourists. Moreover, these recommendations also work towards a sustainable future for Southwest Colorado. Offering intercity public transit will allow for the free flow of visitors, workers, and cash revenue between the jurisdictions within Southwest Colorado and thereby resulting in thriving and sustainable communities.

- The Southwest Transit Council did not want to pursue a more in depth Transit Study in 2015. They wanted to have the SWCCOG develop marketing materials to help improve existing medical and non-medical transit across the region. The SWCCOG has contacted our contract marketing person to help develop the specific items needed for each provider (encompasses providers from Dove Creek to Archuleta County).

Recycling/AmeriCorps - \$4,459 DOLA Funds, \$1,390 COG In-Kind to spend

- The study and report were completed June 2015.
- There were a number of options to help divert diversion of recycleables from the waste stream that came from the report. Some recommendations that have been started are:
 - Continue to support and further develop an effective Recycling Taskforce for SW Colorado
 - Develop strategy and goals for 2015/2016
 - SWCCOG Board Buy-in
 - Obtain further funding for Outreach and Education
 - Support new Materials Recovery Facility in region
 - Address Glass recycling issues
- Hire an AmeriCorps VISTA to help spearhead the recommendations and Recycling Taskforce

- Continue to have Recycling Taskforce meet

CDOT Contract Memo

To: SWCCOG Board of Directors
From: Miriam Gillow-Wiles
Date: 6 Nov 2015

Comments: This is the contract with CDOT for the \$10,000 match for the DOLA Broadband Planning grant. This will function as drawdown request, which while not ideal, should be ok with cash flow with the match from Region 9 and the Alliance coming in at \$16,000.

At the time of publication, the contract has not been finalized or reviewed by legal, and is not attached. It will be sent out before the Board meeting, if the Board is unable to vote on it at the November meeting, it will be moved to the December Meeting.

CEBT Health Insurance Renewal

Memo

To: SWCCOG Board of Directors
From: Miriam Gillow-Wiles
Date: 6 Nov 2015

Comments: Attached is the information from CEBT for health insurance rate renewal and the spreadsheet to look at switching to a higher deductible plan and switching some of the cost to the employee. The COG currently pays for 100% of all health, vision, and dental for employees and dependents. This is doable now, with two employees eligible for benefits. As the COG grows, this overhead will mushroom and become too large to support. Switching some of the costs now will help ensure we have a healthy staff, but insurance for dependents will not be too large of a burden. Staff worked together to develop this spreadsheet as well as to decide on which rate plan would be acceptable to move to.

Recommendation: Select the PPO6 plan for the following reasons.

- Increases the deductible to \$3000 per plan from \$1000.
- SWCCOG would open a Health Savings Plan (H.S.A.) for each employee and deposit the difference between the two deductibles
- SWCCOG pays 100% of Health, Vision, and Dental for all employees.
- SWCCOG pays 100% of Vision and Dental for all dependents
- SWCCOG pays 75% of Health for Dependents, Employee pays 25%
- Saves \$5000 in 2016 over existing costs (with 8% 2016 increase)
- The max amount an employee will pay in 2016 will be \$186/month (3+ dependents)
- The H.S.A. can cover the costs of the higher co-pay or be saved for a larger expense. These also are lifetime benefits, and do not expire at the end of the calendar year.

**CEBT RENEWAL
January 1st, 2016**

**Southwest Colorado
Council Of Governments
BRANCH AAN4**



MEMORANDUM

TO: Mariam Gillow-Wiles,
Southwest Colorado Council of Governments

FROM: Willis of Colorado

SUBJECT: CEBT January 1, 2016 Small Group Renewal

Enclosed you will find the CEBT Small Group rate and benefit renewal information for your review. To complete the renewal process please sign and return one copy of each of the documents marked **SIGNATURE REQUIRED FOR RENEWAL** at the top by **October 17, 2015**. Please note that upon acceptance of the January 2016 renewal, your next opportunity to terminate from CEBT without penalty will be January 1, 2017. In accordance with your Participation Agreement, run-out claims will not be paid by CEBT for off cycle terminations or if timely notice (60 days) is not received.

Willis/CEBT will process your renewal after each of these documents has been signed and returned. The required documents include:

1. Renewal Rates sheet
2. Benefit Changes sheet
3. CEBT Employer Plan Selection

The Renewal Rates sheet shows the current and renewal rates for all CEBT plans with your group's specific plans highlighted in blue for your reference. The rate increase for the EPO plans is 13% while all other medical plans will increase only 8%. Dental A (formerly Employer Paid Dental) has a 4% increase for the Single and Spouse tier and 12% for the Children and Family tiers. Dental Plans B and C (formerly Voluntary Dental with and without Orthodontia) will have a 10% increase. Lastly, the rates for all vision plans (A, B and C), as well as the HRP plan, will remain unchanged. The group life rate will also remain the same at \$.14 per \$1,000 of coverage. If your group's life volume is salary-based, we have included a salary-volume table for your reference.

The CEBT Benefit Changes & Information sheet outlines each of the plan changes that will take effect January 2016. Please read this sheet carefully before signing and returning it back to Willis to ensure you have a full understanding of the changes taking place on January 1.

The CEBT Employer Plan Selection form lists all plans offered through CEBT. You may choose up to three medical plans in addition to the Hospital Reimbursement Plan (HRP). If you are not making any changes to your current plan selection, please mark only that line at the top of the form. If you are changing or adding any plans, *please mark all plans that you intend to offer as of January 1, 2016.* If you have any questions or need more information about different plan designs, please contact Sharon Keffer or your Willis account representative at 303-773-1373 or 800-332-1168.

Also, enclosed is a copy of Willis' Standard Terms and Conditions for Human Capital Accounts. This document outlines the details of the relationship between your organization and Willis as your broker/consultant. This information does not need to be returned with the CEBT renewal documents but please retain it for your files.

As always, please call if you have any questions regarding your CEBT coverage. CEBT remains financially strong, is fully funded for run-out claims, and continues to maintain a fully funded plan stabilization reserve. We look forward to receiving your renewal documents and continuing to offer the exceptional service you've come to expect from Willis and CEBT.

CEBT

12 Month Utilization Report

For June 2015

All Branches

Description	Enrolled	Average Enrolled	Paid Claims	Premium Deposits	Ratio	12 Month Ratio
Month						
JULY	1,611		\$ 2,513,782	\$ 1,387,179	181.2%	105.6%
AUGUST	1,605		1,491,882	1,395,502	106.9%	104.6%
SEPTEMBER	1,585		1,295,977	1,366,576	94.8%	104.0%
OCTOBER	1,634		1,637,183	1,387,704	118.0%	105.8%
NOVEMBER	1,633		1,019,956	1,391,090	73.3%	105.3%
DECEMBER	1,661		1,946,718	1,424,189	136.7%	110.1%
JANUARY	1,739		1,583,282	1,508,193	105.0%	108.0%
FEBRUARY	1,742		938,995	1,510,123	62.2%	107.5%
MARCH	1,746		1,122,572	1,512,395	74.2%	105.0%
APRIL	1,742		1,792,734	1,506,438	119.0%	107.6%
MAY	1,740		1,150,113	1,507,812	76.3%	105.8%
JUNE	1,767		1,427,375	1,535,531	93.0%	102.8%
Total	20205		17,920,569	17,432,733	102.8%	

Past 12 Months Medical

MEDICAL EPO2	332	28	209,207	313,649	66.7%
MEDICAL EPO3	824	69	784,590	688,640	113.9%
MEDICAL EPO4	2,541	212	1,900,439	1,896,938	100.2%
MEDICAL HD15	219	18	981,933	198,431	494.8%
MEDICAL HD25	354	30	306,873	350,857	87.5%
MEDICAL HRP1	664	55	(781)	182,600	(0.4%)
MEDICAL PPO1		0			0.0%
MEDICAL PPO2	1,789	149	1,103,324	2,041,074	54.1%
MEDICAL PPO3	4,311	359	5,526,665	4,195,046	131.7%
MEDICAL PPO4	6,423	535	4,807,361	4,809,595	100.0%
MEDICAL PPO5	1,860	155	1,277,829	1,221,301	104.6%
MEDICAL PPO6	472	39	138,196	339,544	40.7%
MEDICAL PPO7	416	35	122,325	244,204	50.1%
Total	20205	1684	17,157,961	16,481,880	104.1%

Past 12 Months Non-Medical

DENTAL	10,564	880	540,686	659,013	82.0%
VOLUNTARY DENTAL	3,091	258	119,879	162,470	73.8%
VISION	5,673	473	56,244	58,224	96.6%
VOLUNTARY VISION	5,246	437	45,798	71,145	64.4%
Total	24574		762,607	950,852	80.2%

Total			17,920,569	17,432,733	102.8%
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LIFE	20,746	1729		85,677	
VOLUNTARY LIFE	50	4		1,326	



SIGNATURE REQUIRED FOR RENEWAL

BRANCH
AAN4

Southwest Colorado Council Of Governments
Renewal and Optional Monthly Rates Effective January 01, 2016

Dental A; PPO3; Life A; Vision B
Life Coverage: \$125k Base
Employee Life Rate: 0.14

		EE Only	EE +Spouse	EE + Child	EE +Children	EE +Family	Percent change
Medical (PPO 2)	current	\$727	\$1,454	\$1,345	\$1,345	\$1,746	
(\$600 deductible)	renewal	\$785	\$1,570	\$1,453	\$1,453	\$1,886	8.00%
Medical (PPO 3)	current	\$629	\$1,282	\$1,186	\$1,186	\$1,540	
(\$1,000 deductible)	renewal	\$679	\$1,385	\$1,281	\$1,281	\$1,663	8.00%
Medical (PPO 4)	current	\$560	\$1,141	\$1,055	\$1,055	\$1,370	
(\$1,500 deductible)	renewal	\$605	\$1,232	\$1,139	\$1,139	\$1,480	8.00%
Medical (PPO 5)	current	\$518	\$1,055	\$976	\$976	\$1,268	
(\$2,500 deductible)	renewal	\$559	\$1,139	\$1,054	\$1,054	\$1,369	8.00%
Medical (PPO 6)	current	\$477	\$971	\$898	\$898	\$1,166	
(\$3,000 deductible)	renewal	\$515	\$1,049	\$970	\$970	\$1,259	8.00%
Medical (PPO 7)	current	\$438	\$893	\$826	\$826	\$1,073	
(\$4,000 deductible)	renewal	\$473	\$964	\$892	\$892	\$1,159	8.00%
Medical (EPO 3)	current	\$620	\$1,264	\$1,230	\$1,230	\$1,580	
(\$1,000 hospital copay)	renewal	\$701	\$1,428	\$1,390	\$1,390	\$1,785	13.00%
Medical (EPO 4)	current	\$554	\$1,129	\$1,100	\$1,100	\$1,412	
(\$1,500 hospital copay)	renewal	\$626	\$1,276	\$1,243	\$1,243	\$1,596	13.00%
Medical (EPO 5)	current						
(\$2,500 hospital copay)	renewal	\$595	\$1,212	\$1,181	\$1,181	\$1,516	
Medical (HD2600)	current	\$605	\$1,234	\$1,141	\$1,141	\$1,482	
(\$2,600 deductible)	renewal	\$653	\$1,333	\$1,232	\$1,232	\$1,601	8.00%
Medical (HD5000)	current	\$503	\$1,025	\$948	\$948	\$1,232	
(\$5,000 deductible)	renewal	\$543	\$1,107	\$1,024	\$1,024	\$1,331	8.00%
Medical (HRP)	current	\$275					
	renewal	\$275					
Dental Plan A (w/ortho)	current	\$39	\$78	\$87	\$87	\$116	
(Formerly Employer Paid)	renewal	\$41	\$81	\$97	\$97	\$130	4.00%/12.00%
Dental Plan B (w/ortho)	current	\$30	\$64	\$86	\$86	\$116	
(Formerly Vol. Dental)	renewal	\$33	\$70	\$95	\$95	\$128	10.00%

Dental Plan C (w/o ortho)	current	\$30	\$64	\$57	\$57	\$97	
(Formerly Vol. Dental)	renewal	\$33	\$70	\$63	\$63	\$107	10.00%
Vision Plan A	current	\$6	\$13	\$14	\$14	\$18	
(Formerly Employer Paid)	renewal	\$6	\$13	\$14	\$14	\$18	0.00%
Vision Plan B (VSP)	current	\$10	\$14	\$13	\$13	\$24	
(Formerly Vol.- 12/12/24)	renewal	\$10	\$14	\$13	\$13	\$24	0.00%
Vision Plan C (VSP)	current						
(New - 12/12/12)	renewal	\$13	\$18	\$17	\$17	\$31	

—Your signature below acknowledges receipt of the CEBT Renewal and Optional Rates, but does not bind your renewal.
 —To complete your group's renewal, the CEBT Employer Plan Selection and the Benefit Changes form must be signed and returned to Willis no later than 10/16/2015.
 —In accordance with your participation agreement, written notice of termination must be received by 11/01/2015 or run-out claims will not be paid by CEBT.
 —Renewing in January 2016 is for a 12-month period. Upon acceptance of the January 2016 renewal, the next opportunity to terminate from CEBT without penalty will be December 31, 2016

Received by _____ Date _____

Title _____ AAN4



**SIGNATURE
REQUIRED FOR
RENEWAL**

CEBT BENEFIT CHANGES & INFORMATION

Effective **January 1, 2016**, CEBT will make the following benefit changes:

EPO Plans (Help control claim costs)

- ◆ Increase the maximum out of pockets as follows:

	Current	New (effective 1/1/2016)
EPO 3	\$4,500 - individual \$9,000 - family	\$ 5,000 - individual \$10,000 – family
EPO 4	\$ 5,000 - individual \$10,000 - family	\$ 5,500 - individual \$11,000 - family

PPO Plans

- ◆ Change the family deductible from a per person deductible to an aggregate deductible. Example, PPO 3 has a \$1,000 deductible and 3 family members have to meet the deductible before the family deductible is met. The change will combine all deductible amounts for a family, until a \$3,000 deductible has been met, then the family deductible will have been met. **(Industry Standard)**

Vision Plan A

- ◆ Allow a \$200 benefit towards Lasik surgery instead of getting glasses or contacts. **(Plan enhancement)**

Effective July 1, 2016

PPO Plans

- ◆ The one deductible per pregnancy will be removed from the plan. If a pregnancy starts in 2016, but the birth is in 2017, the member could be responsible for a calendar year deductible in both years. **(Industry Standard)**

Group Name: Southwest Colorado Council Of Governments

Branch Number: AAN4

Received by _____ Date _____

(Please keep one copy for your records.)

9/1/2015



CEBT EMPLOYER PLAN SELECTION

**SIGNATURE
REQUIRED
FOR RENEWAL**

Current Plans Offered: Dental A; PPO3; Life A; Vision B, \$125k Base

Effective January 1st, 2016 our group selects the following benefit options to be offered to our staff:

IF NO PLAN CHANGES (deletions or additions), mark here ONLY. Otherwise indicate selections below for coming year.

NETWORK

United Healthcare Network

Rocky Mountain Health Plan

MEDICAL	PLAN	OFFICE VISIT CO-PAY Primary/Specialist	HOSPITAL CO-PAY	DEDUCTIBLE (Individual)	MAXIMUM OUT OF POCKET (single/family)
PPO Plans					
<input type="checkbox"/>	PPO2	\$30/\$30	N/A	\$600	\$3,500/\$7,000
<input type="checkbox"/>	PPO3	\$35/\$35	N/A	\$1,000	\$3,750/\$7,500
<input type="checkbox"/>	PPO4	\$40/\$40	N/A	\$1,500	\$4,000/\$8,000
<input type="checkbox"/>	PPO5	\$45/\$45	N/A	\$2,500	\$4,500/\$9,000
<input type="checkbox"/>	PPO6	\$50/\$50	N/A	\$3,000	\$5,000/\$10,000
<input type="checkbox"/>	PPO7	\$55/\$55	N/A	\$4,000	\$6,000/\$12,000
EPO Plans					
<input type="checkbox"/>	EPO3	\$40/\$55	\$1000	N/A	\$5,000/\$10,000
<input type="checkbox"/>	EPO4	\$45/\$60	\$1500	N/A	\$5,500/\$11,000
<input type="checkbox"/>	EPO5	\$50/\$65	\$2500	N/A	\$6,000/\$12,000
High Deductible Health Plans					
<input type="checkbox"/>	HD2600	N/A	N/A	\$2,600	\$3,000/\$6,000
<input type="checkbox"/>	HD5000	N/A	N/A	\$5,000	\$6,000/\$12,000

September 1, 2015
Branch# AAN4
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**CEBT EMPLOYER PLAN SELECTION
(SIGNATURE REQUIRED FOR RENEWAL)**

Page 2

OTHER

- HRP Hospital Reimbursement Plan (\$1,000 per day for hospital confinement for un-reimbursed charges)

DENTAL

(Please choose one)

- Plan A (Formerly CEBT Employer Paid Dental with Orthodontics)
 Plan B (Formerly CEBT Voluntary Dental with Orthodontics)
 Plan C (Formerly CEBT Voluntary Dental without Orthodontics)

VISION

(Please choose one)

- Plan A (Formerly CEBT Employer Paid Vision)
 Plan B (Formerly CEBT Voluntary Vision (VSP))
 Plan C Vision (VSP)

LIFE

- Employer Group Life (required)
 Dependent Group Life
 Voluntary Life

Please sign and return this form as soon as possible (but not later than **October 16th, 2015**) as supplies will be shipped on a first come first serve basis after all of the **REQUIRED DOCUMENTS** have been completed and returned to Willis.

Open enrollment should be held mid October – mid November, and change cards should be returned to Willis **by November 20th, 2015** to ensure that the members receive their ID cards prior to the January 1st, 2016 renewal date. Enrollment cards need to be completed and returned to Willis **ONLY** under the following circumstances:

1. If an employer group is offering more than one medical plan and the employee wants to change the coverage plan previously selected;
2. If an employer group is offering a voluntary dental and/or vision plan and an employee wishes to enroll or drop the coverage;
3. When adding or dropping dependent coverage.

An employer group is allowed to choose a maximum of three medical plans plus the Hospital Reimbursement Plan.

Group Name: Southwest Colorado Council Of Governments

Branch Number: AAN4

Authorized by _____

Date _____

(Please keep one copy for your records.)

September 1, 2015
Branch# AAN4



Standard Terms and Conditions for Human Capital Accounts

Please note the following terms and conditions related to your decision to utilize Willis to purchase insurance coverage, products and/or services:

Services and Responsibilities

The services we provide to you will rely in significant part on the facts, information and direction provided by you or your authorized representatives. In order to make our relationship work, we must each provide the other with accurate and timely facts, information and direction as is reasonably required. You must provide us with complete and accurate information regarding your loss experience, risk exposures, and changes in the analysis or scope of your risk exposures and any other information reasonably requested by us or insurers. It is important that you advise us of any changes in your business operations that may affect our Services, the insurance coverages, or other services we place for you. If you have any doubt about what information is material, please ask us inasmuch as failure to provide accurate and current information could adversely impact your insurance coverage.

We will assess the financial soundness of the insurers we recommend to provide your coverages based on publicly available information, including that produced by well-recognized rating agencies. Upon request, we will provide you with our factual analysis of such insurers. We cannot, however, guarantee or warrant the solvency of any insurer or any intermediary that we may use to place your coverage.

The final decisions with respect to underwriting submissions and all matters relating to your insurance coverages and employee benefits program are yours. We will procure the insurance coverage and services chosen by you, assist in confirming coverage, and review and transmit policies to you.

We will review all policies and endorsements for the purpose of confirming their accuracy and conformity to negotiated specifications and your instructions and advise you of any errors in, or recommended changes to, such policies. You agree that you will also review all such documents and advise us of any questions you have or of any document or provision which you believe may not be in accordance with your instructions as soon as possible, and in no event longer than two weeks, after you receive them.

We will meet, as requested by you, with your representatives to explain coverage and policies. We will promptly respond to your requests for coverage information, analysis of changing market conditions, and assistance in reporting subsequent changes in information to insurance companies and service providers.

In our capacity as employee benefits professionals, we do not provide legal or tax advice. We encourage you to seek any such advice you want or need from competent legal counsel or tax professionals.

Confidentiality

We will treat information you provide us in the course of our professional relationship as confidential and will use it only in performing services for you. We may share this information with third parties as may be required to provide services. We may also disclose this information to the extent required to comply with applicable laws or regulations or the order of any court or tribunal. By providing us with data, you agree and represent that you are fully authorized to possess that data and to provide it to us, and further that we are fully authorized to obtain, maintain, process and transfer such data in a commercially reasonable manner and as we reasonably deem advisable in order to provide our services. In so doing, we agree that we will comply with all applicable privacy laws, and that we have implemented and will maintain commercially reasonable and appropriate security measures in order to protect sensitive information from unauthorized use or disclosure. Records you provide us will remain your property and will be returned to you upon request, although we will have the right to retain copies of such records to the extent required in the ordinary course of our business or by law. You will treat any information we provide to you, including data, recommendations, proposals, or reports, as confidential, and you will not disclose it to any third parties. You may disclose this information to the extent required to comply with applicable laws or regulations or the order of any court or tribunal. We retain the sole rights to all of our proprietary computer programs, systems, methods and procedures and to all files developed by us.

Willis represents and warrants that, with respect to the personal information of any Massachusetts resident, (1) it has and is capable of maintaining appropriate security measures to protect Personal Information consistent with 201 CMR 17.00 and any applicable federal regulations; and (2) as of the Agreement Effective Date, it has and will at all times during the term of this Agreement, maintain a comprehensive written information security program that complies with applicable privacy and data security laws. Willis's information security program shall contain at least the following:

- Reasonable restrictions upon physical access to records containing personal information and storage of such records and data in locked facilities, storage areas or counters.
- Regular monitoring to ensure that the comprehensive information security program is operating in a manner reasonably calculated to prevent unauthorized access to or unauthorized use of personal information; and upgrading information safeguards as necessary to limit risks.
- Reviewing the scope of the security measures at least annually or whenever there is a material change in business practices that may reasonably implicate the security or integrity of records containing personal information.
- Documenting responsive actions taken in connection with any incident involving a breach of security, and mandatory post-incident review of events and actions taken, if any, to make changes in business practices related to protection of personal information.



In the event that you or any of the benefit plans you sponsor need to enter into business associate agreements with Willis in order to satisfy the requirements of the Health Insurance Portability and Accountability Act, the regulations implementing that Act (the “Standards for Privacy of Individually Identifiable Health Information,” codified at 45 C.F.R. parts 160 and 164), or any other similar law, you agree to work with Willis to execute an agreement in compliance with these requirements.

Carrier Quotes

The quotes we have provided to you are based upon the information that you have provided to us. If you discover that previously submitted information is inaccurate or incomplete, please advise us immediately so that we can attempt to revalidate terms with insurers.

A carrier quote is an offer to provide coverage. Offers can be modified or withdrawn prior to your acceptance through your order to bind coverage. The quote itself is not a legally binding commitment or a confirmation of actual coverage. Should you choose to bind coverage, we will secure a formal commitment, typically in the form of a binder on a form issued or approved by the carrier(s) at issue.

Compensation and Disclosure

Willis is an insurance producer licensed to do business worldwide, including in all 50 states and the District of Columbia. Insurance producers are authorized by their license to work with insurance purchasers and discuss the benefits and terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of an insurance producer in any particular transaction involved one or more of these activities.

The compensation that will be paid to Willis will vary based on the insurance contract it sells. Depending on the insurer and insurance contract you select, compensation may be paid by the insurer selling the insurance contract or by another third party. Such compensation may be contingent and may vary depending on a number of factors, including the insurance contract and insurer you select. In some cases, other factors such as the volume of business Willis provides to the insurer or the profitability of insurance contracts Willis provides to the insurer also may affect compensation. Willis may accept this compensation in locations where it is legally permissible, and meet standards and controls to address conflicts of interest. Because insurers account for contingent payments when developing general pricing, the price you pay for your policies is not affected whether Willis accepts contingent payments or not. If you prefer that we not accept contingent compensation related to your policy, we will request that your insurer(s) exclude your business from their contingent payment calculations.

Upon request, Willis will provide you with additional information about the compensation Willis expects to receive based in whole or in part on your purchase of insurance, and (if applicable) the compensation expected to be received based in whole or in part on any alternative quotes presented to you.



To the extent Willis is compensated by commissions paid to us by insurers, they will be earned for the entire policy period at the time we place policies for you. We will be paid the commission percentage stated for the placement of your insurance as indicated, and will receive the same commission percentage for all subsequent renewals of this policy unless we negotiate a different commission percentage with you.

Commission schedules and other compensation arrangements related to our services on your behalf may change over time and may not always be congruent with your specific policy period. Willis will provide you with accurate information to the best of our knowledge when information is requested or presented to you, but it is possible that compensation arrangements may change over time.

In some cases the use of a wholesale broker may be beneficial to you. We will not directly or indirectly place or renew your insurance business through a wholesale broker unless we first disclose to you in writing any compensation we or our corporate parents, subsidiaries or affiliates will receive as a result.

Willis develops panels of insurers in certain market segments. Participating insurers are reviewed on a variety of factors. Commission rates on panel placements may be higher than rates paid on business placed outside of the panel process. Willis discloses its commission rates to clients on quotes obtained through the panel process prior to binding the coverage. In some instances, insurers pay an administration fee to participate in the panel process, or for additional reporting. Your Willis broker will provide you with additional information on Willis Panels upon request.

You may choose to use a third party administrator, utilization review firm or other similar service provider in connection with the insurance coverages we place for you or the services we provide to you. If you elect to use a service provider from which we or our corporate parents, subsidiaries or affiliates will receive any compensation directly or indirectly relating to the services you purchase from the provider, we will disclose additional information regarding that compensation to you before you make a final decision to use the service provider.

We or our corporate parents, subsidiaries, and affiliates may provide reinsurance brokerage services to insurers with which your coverage is placed pursuant to separate agreements with those insurers. Under these arrangements we may be compensated by the insurers for the services provided in addition to any commissions we may receive for placement of your insurance coverages.

In certain instances and where explicitly agreed upon in advance, Willis may collect insurance premium from you and remit the premium to the appropriate insurance company or intermediary. In doing so, we may also receive and retain interest on premiums you pay from the date we receive the funds until we pay them to the insurers or their intermediaries, or until we return them to you after we receive such funds.

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As an insurance intermediary, we normally act for you. However, for some insurance products we or our corporate parents, subsidiaries or affiliates may have managing general agent agreements or other agreements which give us binding authority enabling us to accept business on their behalf and immediately provide coverage for a risk. Further, we or our corporate parents, subsidiaries or affiliates may arrange lineslips or similar facilities which enable an insurer to bind business for itself and other insurers and we may manage these lineslips for such insurers. We may place your insurance business under a managing general agent's agreement, a binding authority, lineslip or similar facility when we reasonably consider these match your insurance requirements/instructions. When we intend to bind coverage for you under such a facility, we shall inform you prior to the inception of the insurance contract.

Subsidiaries of Willis North America Inc are members of a major international group of companies. In addition to the commissions received by us from insurers for placement of your insurance coverages, other parties, such as excess and surplus lines brokers, wholesale brokers, reinsurance intermediaries, underwriting managers and similar parties (some of which may be owned in whole or in part by our corporate parents or affiliates), may earn and retain usual and customary commissions for their role in providing insurance products or services to you under their separate contracts with insurers or reinsurers.

The insurance market is complex, and there could be other relationships which are not described in this document which might create conflicts of interest. If a conflict arises for which there is no practicable way of complying with this commitment, we will promptly inform you and withdraw from the engagement, unless you wish us to continue to provide the services and will provide your written consent. Please let us know in writing if you have concerns or we will assume that you understand and consent to our providing our services pursuant to these terms.

Prices on the services specified herein are exclusive of all federal, state, and local sales, use, excise, receipts, gross income and other similar taxes and governmental charges. Any such taxes or charges upon the services provided hereunder, now imposed or hereafter becoming effective during the Term of this agreement, shall be added to the price herein provided and paid by you unless, in lieu thereof, you provide us with a valid tax exemption certificate acceptable to us.

The Foreign Account Tax Compliance Act (FATCA) is a U.S. law aimed at foreign financial institutions and other financial intermediaries (including insurance companies and intermediaries such as brokers) to prevent tax evasion by U.S. citizens and residents through offshore accounts. FATCA only applies if you are a U.S. company or individual or a non-U.S. company paying premium through a U.S. insurance broker to a non-U.S. insurer. In order to comply with FATCA, insurance companies and intermediaries must meet certain legal requirements. Insurance placed with an insurance company that is not FATCA compliant may result in a 30% withholding tax on your premium. Where FATCA is applicable to you, in order to avoid this withholding tax, Willis will only place your insurance with FATCA-compliant insurers and intermediaries for which no withholding is required unless you instruct us to do otherwise and provide your advance written authorization to do so. If you do instruct Willis to place your insurance with a non-FATCA compliant insurer or intermediary, you may have to pay an additional amount equivalent to 30% of the premium covering U.S.-sourced risks to cover the

withholding tax. If you instruct us to place your insurance with a non-FATCA compliant insurer but you do not agree to pay the additional 30% withholding if required, we will not place your insurance with such insurer. Please consult your tax adviser for full details of FATCA.

Premium Payment/Handling of Funds

You agree to provide immediately available funds for payment of premiums by the payment dates specified in the insurance policies, invoices or other payment documents. Failure to pay premium on time may prevent coverage from incepting or result in cancellation of coverage by the insurer. We will not be responsible for any consequences that may arise from any delay or failure by you to pay the amount payable by the indicated date.

We will handle any premiums you pay through us and any funds which we receive from insurers or intermediaries for payment or return to you in accordance with the requirements and restrictions of applicable state and federal insurance laws and regulations and state unclaimed property laws. In some cases we may transfer your funds directly to insurers. In other case we may be required to transfer your funds to third parties such as wholesale brokers, excess and surplus lines brokers, or managing general agents for carrying out transactions for you.

Ethical Business Practice

We do not tolerate unethical behavior either in our own activities or in those with whom we seek to do business. We will comply with all applicable laws, regulations, and rules.

Sanctions

The sanctions profile of different business(es) may differ on the basis of a number of complex factors. Whether a sanctions program applies to you depends on a number of factors, including your ownership structure, control, location, and the nationality of your employees. In certain circumstances, the United States and other countries prohibit or restrict companies from conducting business in certain jurisdictions (e.g. Cuba), and can sanction companies who conduct such business. We cannot advise on the applicability of sanctions programs either to you or to insurers nor can we guarantee or otherwise warrant the position of any insurer under existing or future sanctions programs. You should take legal advice as you deem appropriate in this regard.

We will comply with all applicable sanctions programs and you are advised that, where obliged by law, we may have to take certain actions, including freezing of funds held on behalf of parties and individuals as required by sanctions programs.

Intellectual Property

Willis shall own and retain all right, title, and interest in and to the following (collectively, "Willis Property"): (i) all software, hardware, technology, documentation, and information provided by Willis in connection with the Claim and Risk Control Services; (ii) all ideas, know-

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how, methodology, models and techniques that may be developed, conceived, or invented by Willis during its performance under this Agreement; and (iii) all worldwide patent, copyright, trade secret, trademark and other intellectual property rights in and to the property described in clauses (i) and (ii) above. Accordingly, all rights in the Willis Property are hereby expressly reserved.

Electronic Communication

We agree that we may communicate with each other from time to time by electronic mail, sometimes attaching further electronic data as and when the circumstances require attachments. By consenting to this method of communication you and we accept the inherent risks (including the security risks of interception of or unauthorized access to such communications, the risks of corruption of such communications and the risks of viruses or other harmful devices). We each agree, however, that we will employ reasonable virus checking procedures on our computer systems, and we will each be responsible for checking all electronic communications received for viruses. You will also be responsible for checking that messages received are complete. In the event of a dispute neither of us will challenge the legal evidentiary standing of an electronic document, and the Willis system shall be deemed the definitive record of electronic communications and documentation.

Please note that our system blocks certain file extensions for security reasons, including, but not necessarily limited to, .rar, .text, .vbs, .mpeg, .mp3, .cmd, .cpl, .wav, .exe, .bat, .scr, .mpq, .avi, .com, .pif, .wma, .mpa, .mpg, .jpeg. Emails with such files attached will not get through to us; and no message will be sent to tell you they have been blocked. If you intend to send us emails with attachments, please verify with us in advance that our system will accept the proposed form of attachment.

Other Agreements

To the extent there is a conflict between this Agreement and a separately negotiated and signed agreement between you and Willis, the relevant portions of the signed agreement will control.

Termination

In the event of termination, we will be entitled to receive and retain any commissions payable under the terms of our commission agreements with the insurers in relation to policies placed by us, whether or not the commissions have been received by us.

Our obligation to render services under the agreement ceases on the effective date of termination of the agreement. Nevertheless, we will process all remaining deposit premium installments on policies in effect at the time of termination. Claims and premium or other adjustments may arise after our relationship ends. Such items are normally handled by the insurance broker serving you at the time the claim or adjustment arises. However, it may be mutually agreed that we will provide services in these areas after the termination of our relationship for mutually agreed



additional compensation. The obligations set forth under “Confidentiality” above shall survive any termination of the agreement.

Choice of Law

Our agreement for services shall be governed by and construed in accordance with the laws of the state in which our office is located.

Inquiries and Complaints

Your satisfaction is important to us. If you have questions or complaints, please inform the person who handles your account or contact the head of our office. Alternatively, you may call 1-866-704-5115, the toll free number we have set up exclusively for client feedback and complaints.

CEBT Renewal Information

2016 Rates 3/4 SWCCOG - 1/4 Employee Split

Health Vision Dental

	PPO3 (1000 deduct)	PPO5 (2500)	PPO6 (3000)	PPO7 (4000)	Existing
Employee 1 Health	\$ 8,148	\$ 7,260	\$ 6,180	\$ 5,676	\$ 8,148
Employee 1 Vision	\$ 120	\$ 120	\$ 120	\$ 120	\$ 120
Employee 1 Dental	\$ 492	\$ 492	\$ 492	\$ 492	\$ 492
Employee 1 Total	\$ 8,760	\$ 7,872	\$ 6,792	\$ 6,288	\$ 8,760
Employee 2 w/ Dependents	\$ 19,956	\$ 16,752	\$ 15,108	\$ 13,908	\$ 19,956
Employee 2 Vision	\$ 288	\$ 288	\$ 288	\$ 288	\$ 288
Employee 2 Dental	\$ 1,560	\$ 1,560	\$ 1,560	\$ 1,560	\$ 1,560
Employee 2 Total	\$ 21,804	\$ 18,600	\$ 16,956	\$ 15,756	\$ 21,804
Emp 2 Cost Depend. Health	\$ 11,808	\$ 9,492	\$ 8,928	\$ 8,232	
3/4 Cost of Dependents	\$ 8,856	\$ 7,119	\$ 6,696	\$ 6,174	
H.S.A. Costs		\$ 3,000	\$ 4,000	\$ 6,000	
SWCCOG Yearly Cost	\$ 27,612	\$ 27,099	\$ 25,516	\$ 25,986	\$ 30,564
Monthly Out of Pocket for Employee with Family Dependents	\$ 246	\$ 198	\$ 186	\$ 172	
SWCCOG Savings	\$ 2,952	\$ 3,465	\$ 5,048	\$ 4,578	
Co-Pay	\$ 35	\$ 45	\$ 50	\$ 55	
# of Co-Pays from H.S.A.	0	33	40	55	

CDOT Transit Council Grant

To: SWCCOG Board of Directors
From: Miriam Gillow-Wiles
Date: 6 Nov 2015

Comments: The CDOT call for applications for the Transit Council funding is due November 13th. This will be the last application the SWCCOG will be able to submit for the Transit Council as the funding is meant to launch the transit council but not be a long term funding mechanism (there are other funding sources like federal 5310 Mobility Management to help with the support of the Transit Council and developing transit). The amount of funding for the 2016 year is expected to be \$19,000, with no match required.

Transit Councils are set up as a forum for communication between the transit and the health and human service providers, at the bare minimum. This last year there has been quite a few meetings but without goals to work on or solutions to find, the Transit Council has been languishing. The Transit Council has been working on setting goals for 2016 and developing staff-council roles and relationships. Though that process, I think, we can help create a more structured organization that is beneficial for the Transit and Health and Human Service Providers. These goals are:

1. Increase employment, education, and medical access and routes (long term goal)
2. Seek and understand funding opportunities, and bring to Council
3. Be a forum for
 - a. Sharing knowledge and resources
 - b. Collaborating
 - c. Reporting on needs and problem solving around those needs
 - d. Bringing trainings to the region that will help members better perform their functions and duties
4. When asked, the SWCCOG will be a voice at the policy level for transit
5. Better engage human service agencies

Recommended Action: Approve submitting a grant to CDOT for \$19,000 for the Transit Council.

Director's Report

To: SWCCOG Board of Directors
From: Miriam Gillow-Wiles
Date: 6 November 2015

Comments: This month has flown by and been quite busy. We have been very busy with Transit this month (see Transportation Report), trying to draw down the 2015 DOLA TA grant and SB152 elections have taken significant amounts of my time.

2015 DOLA TA Grant

- We still have over \$42,000 to spend on the IT Shared Services project for the communities of Bayfield, Town of Dolores, Dolores County, Town of Ignacio, Town of Pagosa Springs, San Juan County, and Town of Silverton. This needs to be scheduled asap so the COG can draw this funding down.
- \$12,000 to spend on transit related activities. We did not get the Transit Coordinator position through CDOT, which this was supposed to be the match for that grant. We are currently purchasing equipment to expand our video conferencing capabilities.

SB152 Opt Out election

- Over the course of the last month, I have been supporting the seven opt out elections. Letters to the Editor, speaking at the League of Women Voters, delivering flyers, and fielding questions from the public and the media.

Transit

- Staff has been working very hard to spend the existing funding from CDOT on the Transit Council.
- We have been working on creating Council development, better understanding of Staff-Council relationships, and goal setting.
- I attended the Rural Transit Assistance Program for Rural and Tribal Transit in Denver on Oct 27-30. This was a useful conference to see how other local governments, regions, states, and Tribes have developed transit, how they operate, and where funding comes from. Although the COG and Transit Council are nowhere NEAR that level of development (and may never be) I came away with great ideas to think about transit in other ways and better understating of rural partnerships, which can help our existing providers.

Broadband Report

To: SWCCOG Board of Directors
From: Miriam Gillow-Wiles
Date: 6 November 2015

Comments: Broadband Planning Grant

- The first meeting for this is Nov 6th at 10:30am at COG Offices. More to come

Silverton/San Juan County

- Working with both EagleNet and Forethought to help their respective builds access the information regarding the details of the builds.
- Met with EagleNet regarding their build.
- Working with Senator Bennet's staff to answer questions the community has regarding the moving pieces of the Silverton/San Juan build.

CenturyLink

- Due to scheduling difficulties in November and December, CenturyLink will not be having an in-person meeting until after the beginning of the year.
- There will be a video/phone conference later in the month. I am working on setting that up.

SB152 Opt Out Elections

- We can discuss this at the COG meeting. The results are not in at the of writing this memo.

TPR/Transit Council Update

TPR

October 2, 2015 SWTPR meeting highlights:

- CDOT is working on a Transportation System Management Operation to make responders more efficient with highway incidences by providing the same training to all responders that will help all involved understand each other's roles.
- Currently, and into next year, there is a study being done on the rest areas around the state with the primary focus being the CDOT rest stops. However, a number of rest areas in our Region are owned and maintained by the U.S. Forest Service, and due to funding issues, are closed the majority of the time. This issue is being looked into.
- Sidney Zink reported that the Transportation Commission discussed real estate issues in regards to whether or not a new headquarters building can be afforded. The current building is an old school building that would cost millions to bring up to par. From a public relations point of view it is difficult to justify spending \$84 million on a new CDOT headquarters building when there are many other projects with high price tags.
- There is a new group called The National Center for Rural Road Safety that opened in December 2014. This organization is funded by the Federal Highway Administration and is focused on enhancing safety on rural roadways by supporting local, state and tribal road owners and their stakeholders. . The website is ruralsafetycenter.org, and Matt Muraro encouraged all to review the information and sign up. The site also provides free trainings and webinars as well as information on available grants.

FUNDING FUNDING FUNDING!!

- The consolidated call for capital projects came out and does include some planning. CDOT has FASTER and FTA funds. The FASTER funds are for fiscal years 2017 and 2018. FTA funds are for fiscal years 2016 and 2017. FASTER funds are for capital and planning while FTA funds are only for capital. All funds require a 20% match. Applications are due no later than noon on Friday, November 13.
- The commission recently prioritized funding for Safe Routes to School. The funding includes \$2.5 million that will continue for 4 years with \$2 million allocated towards infrastructure and \$500,000 towards other, such as education. Because these are state funds, CDOT is making the application competitive and including a 20% match, which has not been required in the past. The application will go out next week and will be due Friday, January 8. In addition, CDOT will be requiring a TPR letter

of support with all applications. STAC is looking for an advisory member to do a review of grant applications.

- There will be a Federal Lands Access Program (FLAP) call for applications on May 1, 2016. The last call was done three years ago, and CDOT did not receive any funding. There is \$16.6 million available for the state of Colorado with a 17.21% match requirement. Matt Muraro warned that these applications are very detailed and require a cost benefit analysis, a detailed engineer's estimate, and access to public lands among other requirements. These applications are similar to a TIGER application.

Transit Council

The transit council had a meeting October 21 to review the 2015 goals and accomplishments and to discuss 2016 goals, mission, vision, and purpose. This meeting was facilitated by Marsha Porter-Norton who will be facilitating a follow-up meeting November 4, tentatively, to present the official 2016 goals the council defined, formalize the mission, vision, and purpose, and finally to help define staff and council roles and responsibilities going into 2016.

October 21 meeting highlights include:

The group discussed the purpose of this Council:

- It's not just about accessing money. We coordinate between and hook up and link systems and services
- Collaboration
- Working to identify and then meet or address needs
- Ongoing reporting of needs as they vary across each area.
- Linking our transportation systems together where possible (acknowledged that in our rural/vast area, this is very challenging)

Strategies and Actions:

- Increase employment education and medical accesses and routes
- Seek and understand funding opportunities, and bring to the Council
- Be a center point and forum for: a) sharing knowledge and resources; b) collaborating c) reporting on needs and problem solving around those needs; and d) bringing trainings to the region that will help each member better perform their functions and duties.
- When asked, the SWCOG will be a voice at the policy level for transit, working with the TC members. Better engage human service agencies
- Structure

VISTA Report

During the last month I have found my time being spent between multiple projects. In order to increase my efficacy I have found that it is beneficial to move between these projects so that I am not wasting time by sitting idle. The smallest amount of my time was spent researching transportation grants for a possible ridership study, as opposed to the bulk of my time being spent continuing my work on recycling and shared services.

October found me really jumping into my work with the Recycling Task Force. Upon my first weeks at the COG I read the final regional recycling report, but had not made much contact with those on the task force. After arranging the first task force meeting during my time here, I started to learn about some of the real issues surrounding the region's rural recycling. I did research on what other rural areas of the country have found successful and I discovered that there are very remote areas, with very small populations, that have started, and sustained, recycling programs. While there are many different factors that affect rural recycling, I believe that I can be helpful in helping solve some of the issues the task force is facing. Glass recycling and educating the residents seems to be the two biggest issues members are facing. I have already found some education materials that might be helpful, and I am continuing my search for a possible solution to glass diversion.

The other project I am continuing work on is shared services. I have started to compile a spreadsheet of the information I have received from county, town, and city staff members. As I go through the information I am finding that there are similarities in what some areas are planning on purchasing in the future. I have found that the majority of entities are purchasing office supplies from the same place, and the same holds true for road supplies like magnesium chloride. These similarities were found because I received information from COG members that communicated with me. I am asking that COG members continue to communicate with me in a timely manner so that I can be effective in keeping this project going. The more specific information I receive will result in a better shared services program.