



SOUTHWEST COLORADO COUNCIL OF GOVERNMENTS

Regular Meeting Agenda

Friday, 3 June 2016, 1:30pm – 4:00pm

1188 E 2nd Ave, Durango, 81301

- I. Introductions
- II. 2015 Audit Presentation
- III. State of the SWCCOG
- IV. 2017 Goal Setting
- V. Consent Agenda
 - a. 6 May 2016 SWCCOG Meeting and Planning Session Minutes
 - b. April 2016 Financials
- VI. Reports (**Read only)
 - a. Director's Report **
 - b. Broadband Report **
 - i. 16 May 2016 CAF2 Meeting Notes **
 - c. Legislation Update **
 - d. Transportation Report **
 - a. VISTA Report (Includes Shared Services and Recycling) **
 - b. Community Updates
- VII. Discussion Items
 - a. RFI for Broadband Public Private Partnerships Feedback for NeoConnect
- VIII. Decision Items
 - a. 4CORE Whitepaper & Recommendation
 - b. Dark Fiber Lease MOU
 - c. Transit & Recycling Marketing Consultant Selection
 - d. 2017 CIRSA Renewal
 - e. Meeting time change
 - f. Snapple Grant: Recycling Bins
- IX. Other Items

Video/Phone Conference Info:

<https://zoom.us/j/501744447>

1-646-558-8656, Meeting ID: 501 744 447

PO Box 963, Durango, CO 81301

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www.swccog.org

2015 Audit Presentation

May 24, 2016

To the Board
Southwest Colorado Council of Governments
Durango, Colorado

We have audited the financial statements of the governmental activities and each major fund of Southwest Colorado Council of Governments for the year ended December 31, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 6, 2016. Professional standards also require that we communicate to you the following information related to our audit

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Southwest Colorado Council of Governments are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2015. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We are not aware of any sensitive estimates that would have a significant effect on the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 24, 2016.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis and budget comparison schedule, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the board and management of Southwest Colorado Council of Governments and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



HintonBurdick, PLLC

SOUTHWEST COLORADO COUNCIL OF GOVERNMENTS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
WITH REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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FINANCIAL SECTION

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Independent Auditors' Report

To Board of Directors
Southwest Colorado Council of Governments
Durango, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Southwest Colorado Council of Governments (Council), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Council as of December 31, 2015, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



HintonBurdick, PLLC
St. George, Utah
May 24, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Southwest Colorado Council of Governments (Council), we offer readers of the Council's financial statements this narrative overview and analysis of the financial activities of the Council for the fiscal year ended December 31, 2015. Please read it in conjunction with the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- Total assets exceed total liabilities (net position) by \$90,500 at the close of the fiscal year.
- Total net position decreased by \$5,317.
- Total revenue received in the General Fund was \$40,006 less than the final budget and expenditures were \$34,502 less than the final budget.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The three components of the financial statements are: (1) Government-wide financial statements which include the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the Council as a whole. (2) Fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Council's operations in more detail than the government-wide statements. (3) Notes to the financial statements.

Reporting on the Council as a Whole

The Statement of Net Position and the Statement of Activities (Government-wide)

A frequently asked question regarding the Council's financial health is whether the year's activities contributed positively to the overall financial well-being. The Statement of Net Position and the Statement of Activities report information about the Council as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Council's net position and changes in them. Net position, the difference between assets and liabilities, are one way to measure the Council's financial health, or financial position. Over time, increases or decreases in net position are an indicator of whether the financial health is improving or deteriorating.

The Statement of Net Position and the Statement of Activities, present information about the following:

- Government activities – All of the Council’s basic services are considered to be governmental activities. Grants, intergovernmental revenues and other non-exchange revenues finance most of these activities.

Reporting the Council’s Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not the Council as a whole. The Council’s major fund uses the accounting approaches as explained below.

- Governmental funds – All of the Council’s basic services are reported in governmental funds. Governmental funds focus on how resources flow in and out with the balances remaining at year-end that are available for spending. These funds are reported using an accounting method called the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Council’s general government operations and the basic services it provides. Government fund information shows whether there are more or fewer financial resources that can be spent in the near future to finance the Council’s programs.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the Council’s financial position. The Council’s combined assets exceed liabilities by \$90,500 as of December 31, 2015 as shown on the following condensed statement of net position.

Statement of Net Position

| | <u>12/31/2014</u> | <u>12/31/2015</u> |
|---------------------|-------------------|-------------------|
| Current assets | \$ 99,817 | \$ 121,093 |
| Total assets | <u>99,817</u> | <u>121,093</u> |
| Current liabilities | <u>4,000</u> | <u>30,593</u> |
| Total liabilities | <u>4,000</u> | <u>30,593</u> |
| Net position | | |
| Unrestricted | 95,817 | 90,500 |
| Total net position | <u>\$ 95,817</u> | <u>\$ 90,500</u> |

Governmental Activities

The cost of all governmental activities this year was \$523,992. \$490,393 was subsidized by operating grants and contributions received from other governmental organizations. Charges for services totaled \$28,282.

The Council's programs include: General Government and Grants passed through to member governments. Each programs' net cost (total cost less revenues generated by the activities) is presented below. The net cost shows the extent to which the Council's revenues support each of the Council's programs.

Changes in Net Position

| | 12/31/2014 | 12/31/2015 |
|---|------------|------------|
| Revenues: | | |
| Program revenues: | | |
| Charges for services | \$ 14,602 | \$ 28,282 |
| Operating grants and contributions | 765,737 | 490,393 |
| Total revenues | 780,339 | 518,675 |
| Expenses: | | |
| General government | 406,177 | 523,992 |
| Grants passed through to member governments | 335,025 | - |
| Total expenses | 741,202 | 523,992 |
| Change in net position | 39,137 | (5,317) |
| Net position, beginning | 56,680 | 95,817 |
| Net position, ending | \$ 95,817 | \$ 90,500 |

Total resources available during the year to finance governmental operations were \$614,492 consisting of net position at January 1, 2015 of \$95,817 and program revenues of \$518,675. The total cost of governmental activities during the year was \$523,992. Governmental net position decreased by \$5,317 to \$90,500.

General Fund Budgetary Highlights

The final appropriations for the general fund at year-end were \$34,502 more than actual expenditures. Actual revenues were less than the final budget by \$40,006. Budget amendments were made during the year to prevent budget overruns and to increase appropriations for unanticipated expenditures after adoption of the original budget.

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

In considering the Council's Budget for calendar year 2016, the Council's Board and management estimated the budget for operating revenues and expenditures to be comparable to the year ended December 31, 2015.

CONTACTING THE COUNCIL'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Council's finances for all those with an interest in the government's finances and to show the Council's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Miriam Gillow-Wiles, Executive Director, at 970-779-4592 or director@swccog.org.

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BASIC FINANCIAL STATEMENTS

SOUTHWEST COLORADO COUNCIL OF GOVERNMENTS
Statement of Net Position
December 31, 2015

| Assets | <u>Governmental Activities</u> |
|----------------------------|------------------------------------|
| Cash and cash equivalents | \$ 58,725 |
| Due from other governments | <u>62,368</u> |
| Total assets | <u>121,093</u> |
| Liabilities | |
| Accounts payable | 19,178 |
| Accrued liabilities | 5,379 |
| Unearned revenue | <u>6,036</u> |
| Total liabilities | <u>30,593</u> |
| Net Position | |
| Unrestricted | <u>90,500</u> |
| Total net position | <u><u>\$ 90,500</u></u> |

The accompanying notes are an integral part of the financial statements

SOUTHWEST COLORADO COUNCIL OF GOVERNMENTS
Statement of Activities
For the Year Ended December 31, 2015

| Functions/Programs | Expenses | Program Revenues | | Net (Expense) Revenue and Changes in Net Position of the Primary Government | |
|-------------------------------|-------------------------|-------------------------|--|--|------------------|
| | | Charges for Services | Operating Grants and Contributions | Governmental Activities | Total |
| Governmental activities: | | | | | |
| General government | \$ 523,992 | \$ 28,282 | \$ 490,393 | \$ (5,317) | \$ (5,317) |
| Total governmental activities | <u>\$ 523,992</u> | <u>\$ 28,282</u> | <u>\$ 490,393</u> | <u>(5,317)</u> | <u>(5,317)</u> |
| | Change in net position | | | (5,317) | (5,317) |
| | Net position--beginning | | | <u>95,817</u> | <u>95,817</u> |
| | Net position--ending | | | <u>\$ 90,500</u> | <u>\$ 90,500</u> |

The accompanying notes are an integral part of the financial statements

SOUTHWEST COLORADO COUNCIL OF GOVERNMENTS
Balance Sheet
Governmental Fund
December 31, 2015

| Assets | <u>General Fund</u> |
|--|------------------------------|
| Cash and cash equivalents | \$ 58,725 |
| Due from other governments | <u>62,368</u> |
| Total assets | <u><u>\$ 121,093</u></u> |
| Liabilities | |
| Accounts payable | \$ 19,178 |
| Accrued liabilities | 5,379 |
| Unearned revenue | <u>6,036</u> |
| Total liabilities | <u><u>30,593</u></u> |
| Fund Balance | |
| Unassigned | <u>90,500</u> |
| Total fund balance | <u><u>90,500</u></u> |
| Total liabilities and fund balance | <u><u>\$ 121,093</u></u> |

The accompanying notes are an integral part of the financial statements

SOUTHWEST COLORADO COUNCIL OF GOVERNMENTS
Statement of Revenues, Expenditures, and Changes in
Fund Balance – Governmental Fund
For the Year Ended December 31, 2015

| | <u>General Fund</u> |
|---|-------------------------|
| REVENUES: | |
| Grant income | \$ 367,281 |
| Charges for services | 28,282 |
| Contributions from member governments | <u>123,112</u> |
| Total revenues | <u>518,675</u> |
| EXPENDITURES: | |
| General government | <u>523,992</u> |
| Total expenditures | <u>523,992</u> |
| Excess revenues over (under) expenditures | (5,317) |
| Fund balance--beginning | <u>95,817</u> |
| Fund balance--ending | <u><u>\$ 90,500</u></u> |

The accompanying notes are an integral part of the financial statements

SOUTHWEST COLORADO COUNCIL OF GOVERNMENTS
Notes to Financial Statements
December 31, 2015

NOTE 1. Summary of Significant Accounting Policies

Southwest Colorado Council of Governments (Council) is an association of local governments formed through inter-governmental agreements. The Council was formed on April 2, 2010, pursuant to Colorado Revised Statutes, Sections 29-1-401 and 29-1-402. The Council was created for the purpose of promoting regional cooperation and coordination among local governments and between levels of government for the geographic area comprising the counties of Archuleta, Dolores, La Plata, Montezuma, and San Juan. The Council provides local public officials the means of responding more effectively to the local and regional problems of the member governments.

Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, when applicable, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Reporting entity

Southwest Colorado Council of Governments (Council) is governed by a board with representation appointed by its member governments. The board is responsible for setting policy, appointing administrative personnel and adopting an annual budget in accordance with the provisions of Colorado Revised Statutes.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. Based on the criteria discussed above, the Council is not financially accountable for any other entity, nor is the Council a component unit of any other government.

Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

SOUTHWEST COLORADO COUNCIL OF GOVERNMENTS
Notes to Financial Statements
December 31, 2015

NOTE 1. Summary of Significant Accounting Policies, Continued

Basis of presentation – fund financial statements

The fund financial statements provide information about the government's funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. The Council currently has no enterprise funds or fiduciary funds.

The government reports the following major governmental funds:

The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

SOUTHWEST COLORADO COUNCIL OF GOVERNMENTS
Notes to Financial Statements
December 31, 2015

NOTE 1. Summary of Significant Accounting Policies, Continued

General revenues associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

Cash and Cash Equivalents

The Council's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Receivables

Grants receivable and amounts due from other governments are shown net of estimated uncollectible amounts. All receivables at December 31, 2015 are considered collectible and, therefore, an allowance for uncollectible grants receivable and amounts due from other governments has not been recorded.

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Council does not have any deferred outflows.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Council does not have any deferred inflows.

Net position flow assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

SOUTHWEST COLORADO COUNCIL OF GOVERNMENTS
Notes to Financial Statements
December 31, 2015

NOTE 1. Summary of Significant Accounting Policies, Continued

Fund balance flow assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The board may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Revenues and expenditures/expenses

Program revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

SOUTHWEST COLORADO COUNCIL OF GOVERNMENTS
Notes to Financial Statements
December 31, 2015

NOTE 1. Summary of Significant Accounting Policies, Continued

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. Stewardship, Compliance, and Accountability

Budgets and Budgetary Accounting

The Council's Board adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- In accordance with State statutes, prior to October 15, management submits to the Board of Directors a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for the current year and actual data for the two preceding years. The State statutes require more detailed line item budgets be submitted in summary form. In addition, more detailed line item budgets are included for administration control. The level of control for the detailed budgets is at the Fund level.
- Public hearings are conducted.
- Prior to December 31, the budget is legally adopted through passage of a resolution.
- The Executive Director is required to present a monthly report to the Board explaining any variance from the approved budget.
- Formal budgetary integration is employed as a management control device during the year for all funds of the Council.
- Appropriations lapse at the end of each calendar year.
- The Board may authorize supplemental appropriations during the year.

Budget amounts included in the financial statements report both the original and final amended budget. There were no revisions made to the original budget during the year.

Budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America, except for long-term receivables and advances and capital lease financing which are budgeted when liquidated rather than when the receivable/liability is incurred.

SOUTHWEST COLORADO COUNCIL OF GOVERNMENTS
Notes to Financial Statements
December 31, 2015

NOTE 2. Stewardship, Compliance, and Accountability, Continued

Expenditures over Appropriations

Per C.R.S. 29-1-108(2), appropriations are made by fund or spending agency (e.g. department) within a fund at the discretion of the Board. The Board has made appropriations at the fund level and thus, expenditures may not legally exceed budgeted appropriations at the fund level. The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual report as listed in the table of contents report those funds that exceeded approved budget appropriations, if any.

TABOR Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments, excluding “enterprises.” The Amendment requires that an emergency reserve be maintained at three percent of fiscal year spending (excluding bonded debt service).

The Council’s management believes it is not subject to the provisions of TABOR because the Council has no authority to tax or to issue general obligation debt. However, TABOR is complex and subject to interpretation. Many of its provisions, including the applicability of TABOR to associations of governments formed through inter-governmental agreement, may require judicial interpretation.

NOTE 3. Deposits and Investments

Cash and investments of the Council as of December 31, 2015 consist of the following:

| | | |
|----------------------------|----|----------------------|
| Cash on hand | \$ | 10 |
| Cash in bank | | <u>58,715</u> |
| Total cash and investments | \$ | <u><u>58,725</u></u> |

Deposits

Custodial Credit Risk

For deposits this is the risk that in the event of a bank failure, the government’s deposit may not be returned to it. The Council does not have a formal policy for custodial credit risk; however, the Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits. Collateral in the pool is considered to be equal to depository insurance pursuant to definitions listed in GASB Statement No. 40. As of December 31, 2015, the bank balance of the Council’s deposits was \$67,499 which is fully covered by the federal depository insurance of \$250,000.

SOUTHWEST COLORADO COUNCIL OF GOVERNMENTS
Notes to Financial Statements
December 31, 2015

NOTE 4. Concentrations

During 2015, the Council received most of its revenue from grants and from its member governments.

NOTE 5. Contingencies

The Council administers projects through grants. These projects are subject to audit by granting agencies. A substantial amount of grant revenue has been awarded to subrecipients. These grants are subject to final review and approval as to allowability by the respective grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. However, the Council expects such amounts, if any, to be immaterial.

NOTE 6. Defined Contribution Plan

The Council contributes to a 457 plan on behalf of its Executive Director. The plan is administered by ICMA-RC and provides that the Council matches up to 5% with the Council's contribution totaling \$3,250 and the employee's contribution totaling \$3,250 during 2015.

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE

SOUTHWEST COLORADO COUNCIL OF GOVERNMENTS
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual
For the Year Ended December 31, 2015

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---|------------------|------------------|-------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| REVENUES: | | | | |
| Grant income | \$ 421,482 | \$ 406,054 | \$ 367,281 | \$ (38,773) |
| Charges for services | 25,770 | 29,515 | 28,282 | (1,233) |
| Contributions from member governments | 133,012 | 123,112 | 123,112 | - |
| Total revenues | 580,264 | 558,681 | 518,675 | (40,006) |
| EXPENDITURES: | | | | |
| General government | | | | |
| Salaries and wages | 121,341 | 121,341 | 120,927 | 414 |
| Employee benefits | 47,115 | 49,938 | 49,706 | 232 |
| Advertising | 250 | 800 | 466 | 334 |
| Consulting | 118,820 | 93,000 | 34,024 | 58,976 |
| Contract services | 15,030 | 10,500 | 8,000 | 2,500 |
| Computer and equipment | 2,000 | 7,000 | 10,708 | (3,708) |
| Insurance | 3,677 | 2,083 | 2,083 | - |
| Postage and printing | 625 | 925 | 1,138 | (213) |
| Professional fees | 13,100 | 9,300 | 10,218 | (918) |
| Rent and utilities | 15,592 | 14,781 | 13,793 | 988 |
| Travel and training | 6,000 | 21,500 | 25,437 | (3,937) |
| Supplies | 2,500 | 1,300 | 3,450 | (2,150) |
| Grant expenditures - All Hazards | 186,054 | 190,000 | 215,155 | (25,155) |
| Other | 47,580 | 36,026 | 28,887 | 7,139 |
| Total general government | 579,684 | 558,494 | 523,992 | 34,502 |
| Total expenditures | 579,684 | 558,494 | 523,992 | 34,502 |
| Excess revenues over (under) expenditures | 580 | 187 | (5,317) | (5,504) |
| Fund balance at beginning of year | 95,817 | 95,817 | 95,817 | - |
| Fund balance at end of year | <u>\$ 96,397</u> | <u>\$ 96,004</u> | <u>\$ 90,500</u> | <u>\$ (5,504)</u> |



**Other Items Communicated to Management
For the Year Ended December 31, 2015**

To Management
Southwest Colorado Council of Governments
Durango, Colorado

The following are findings and recommendations that have not been included with our other communications since they are only related to suggestions for improvements to accounting functions or they may be deemed to be less significant and/or management is aware of the findings and are working on resolutions.

2015-001 Timeliness of Deposits

Cash receipting best practices suggest that deposits should be taken to the bank within 3 business days of receiving them. We noted during our test work that deposits were being held longer than 3 business days before deposit.

Recommendation

We recommend the Council establish procedures to have deposits taken to the bank within 3 days of being received.

Sincerely,

HintonBurdick, PLLC
May 24, 2016

State of the SWCCOG

2017 Goal Setting

| | | | | | | | | | | | | | | | |
|---|---|--|--|--|--|---|--|--|---|---|---|---|---|-----|-----|
| CIRSA Trainings | x | | | | | x | | | | x | x | x | x | Low | N/A |
| CCI Trainings | x | | | | | x | | | | x | x | x | x | Low | N/A |
| Water/Wastewater Certs (Broker w/ R10?) | x | | | | | x | | | | x | ? | x | | Low | N/A |
| CDL | | | | | | | | | | | | | | | |
| Elected Officials Trainings | x | | | | | x | | | x | | | x | x | Low | \$ |

Goal 2: Fiscal Stability and Growth

Objective 2.1: Target Non-Member Entities - CONSENSUS WAS TO FOCUS ON EXISTING MEMBERS

| Action | Board Actions | | | | Priority Level | | | Future Fiscal Impact | | | Timeline | | | Impacts to COG | |
|-------------------------------|-------------------|------------------|---------------|-----------------|----------------|-----------|---------|----------------------|----------------|----|----------|------|-------------|---|-------|
| | Provide Direction | Monitor Progress | Decision Item | Refer to Boards | Critical | Important | Routine | Yes | Unknown /Maybe | No | 2016 | 2017 | Beyond 2017 | Staff Time | Costs |
| Town of Dove Creek | x | x | x | | | | x | x | | | x | x | |  | \$ |
| Montezuma County | x | x | x | | | | x | x | | | x | x | x |  | \$\$ |
| Southern Ute Indian Tribe | x | x | x | | | | x | x | | | x | | |  | \$\$ |
| Ute Mountain Ute Indian Tribe | x | x | x | | | | x | x | | | x | | |  | \$\$ |

Objective 2.2: Retain Existing Members - CREATE VALUE FOR EXISTING MEMBERS

| Action | Board Actions | | | | Priority Level | | | Future Fiscal Impact | | | Timeline | | | Impacts to COG | |
|------------------|-------------------|------------------|---------------|-----------------|----------------|-----------|---------|----------------------|----------------|----|----------|--|--|----------------|--------|
| | Provide Direction | Monitor Progress | Decision Item | Refer to Boards | Critical | Important | Routine | Yes | Unknown /Maybe | No | Ongoing | | | Staff Time | Costs |
| Archuleta | | x | | | x | | | x | | | x | | | | \$\$\$ |
| Bayfield | | x | | | x | | | x | | | x | | | | \$\$ |
| Cortez | | x | | | x | | | x | | | x | | | | \$\$\$ |
| Dolores (County) | | x | | | x | | | x | | | x | | | | \$\$ |
| Dolores (Town) | | x | | | x | | | x | | | x | | | | \$ |
| Durango | | x | | | x | | | x | | | x | | | | \$\$\$ |
| La Plata | | x | | | x | | | x | | | x | | | | \$\$\$ |
| Ignacio | | x | | | x | | | x | | | x | | | | \$ |
| Mancos | | x | | | x | | | x | | | x | | | | \$\$ |
| Pagosa Springs | | x | | | x | | | x | | | x | | | | \$\$ |
| San Juan | | x | | | x | | | x | | | x | | | | \$ |
| Silverton | | x | | | x | | | x | | | x | | | | \$ |

| Objective 2.3: Partner with Other Organizations | | | | | | | | | | | | | | | |
|--|-------------------|------------------|---------------|-----------------|----------------|-----------|---------|----------------------|----------------|----|----------|------|-------------|---|-------|
| Action | Board Actions | | | | Priority Level | | | Future Fiscal Impact | | | Timeline | | | Impacts to COG | |
| | Provide Direction | Monitor Progress | Decision Item | Refer to Boards | Critical | Important | Routine | Yes | Unknown /Maybe | No | 2016 | 2017 | Beyond 2017 | Staff Time | Costs |
| AAA | x | x | x | | | | x | x | | | x | | |  | \$\$ |
| 4CORE | x | x | x | | | | | x | | | x | x | |  | \$ |
| Housing Entities (Decided to leave on as monitoring - no action) | x | x | x | | | | x | x | | | | x | x | | |

| Objective 2.4: Targeted Grant Applications/Requests - SHOULD BE INCOME PRODUCING | | | | | | | | | | | | | | | |
|--|-------------------|------------------|---------------|-----------------|----------------|-----------|---------|----------------------|----------------|----|----------|------|-------------|---|-----------|
| Action | Board Actions | | | | Priority Level | | | Future Fiscal Impact | | | Timeline | | | Impacts to COG | |
| | Provide Direction | Monitor Progress | Decision Item | Refer to Boards | Critical | Important | Routine | Yes | Unknown /Maybe | No | 2016 | 2017 | Beyond 2017 | Staff Time | Costs |
| DOLA Broadband Infrastructure Grant | x | x | x | | x | | | x | | | x | x | x |  | Million + |
| CDOT Transit Coordinator 2017 and 2018 | | | | | | | | | | | | | |  | \$55,000 |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |

Goal 3: Staffing

| Objective 3.1: Increase Capacity | | | | | | | | | | | | | | | |
|----------------------------------|-------------------|------------------|---------------|-----------------|----------------|-----------|---------|----------------------|----------------|----|----------|------|-------------|----------------|-------|
| Action | Board Actions | | | | Priority Level | | | Future Fiscal Impact | | | Timeline | | | Impacts to COG | |
| | Provide Direction | Monitor Progress | Decision Item | Refer to Boards | Critical | Important | Routine | Yes | Unknown /Maybe | No | 2016 | 2017 | Beyond 2017 | Staff Time | Costs |
| Project Manager | | | | | | x | | x | | | | x | x | | \$\$ |
| Broadband Staff Position | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |

| Objective 3.2: Continuing Education | | | | | | | | | | | | | | | |
|-------------------------------------|-------------------|------------------|---------------|-----------------|----------------|-----------|---------|----------------------|----------------|----|----------|------|-------------|----------------|-------|
| Action | Board Actions | | | | Priority Level | | | Future Fiscal Impact | | | Timeline | | | Impacts to COG | |
| | Provide Direction | Monitor Progress | Decision Item | Refer to Boards | Critical | Important | Routine | Yes | Unknown /Maybe | No | 2016 | 2017 | Beyond 2017 | Staff Time | Costs |
| Miriam | Maybe | x | Maybe | | | x | | x | | | x | x | x | Med | \$-\$ |

| | | | | | | | | | | | | | | | | |
|------------------------------------|--|--|--|--|--|---|--|--|---|--|--|---|---|---|-----|-------|
| Sara | | | | | | x | | | x | | | x | x | x | Med | \$\$- |
| Jessica | | | | | | x | | | x | | | x | x | x | Med | \$\$- |
| Shannon (as well as future VISTAs) | | | | | | x | | | x | | | x | x | x | Med | \$\$- |

Goal 4: Advocacy

| Objective 4.1: Legislation | | | | | | | | | | | | | | | | |
|----------------------------|-------------------|------------------|---------------|-----------------|----------------|-----------|---------|----------------------|----------------|----|----------|------|-------------|----------------|-------|--|
| Action | Board Actions | | | | Priority Level | | | Future Fiscal Impact | | | Timeline | | | Impacts to COG | | |
| | Provide Direction | Monitor Progress | Decision Item | Refer to Boards | Critical | Important | Routine | Yes | Unknown /Maybe | No | 2016 | 2017 | Beyond 2017 | Staff Time | Costs | |
| Broadband | X | X | x | | X | X | | | x | | x | ? | ? | High | | |
| | | | | | | | | | | | | | | | | |

| Objective 4.2: Represent SW Colorado | | | | | | | | | | | | | | | | |
|--------------------------------------|-------------------|------------------|---------------|-----------------|----------------|-----------|---------|----------------------|----------------|----|----------|------|-------------|----------------|---------|--|
| Action | Board Actions | | | | Priority Level | | | Future Fiscal Impact | | | Timeline | | | Impacts to COG | | |
| | Provide Direction | Monitor Progress | Decision Item | Refer to Boards | Critical | Important | Routine | Yes | Unknown /Maybe | No | 2016 | 2017 | Beyond 2017 | Staff Time | Costs | |
| Within Region | x | x | | | | | x | | x | | x | x | x | Unknown | Unknown | |
| State Level | x | x | | | | | x | | x | | x | x | x | Unknown | Unknown | |
| Federal Level | x | x | | | | | x | | x | | x | x | x | Unknown | Unknown | |



2016 GOALS

1. Shared services/equipment
2. Recycling
3. Broadband
4. Transportation (Transit & TPR)



The LENS

1. Is the COG providing staff services/admin creating less work for the membership entities?
2. Does it mean I/we don't have to pay for something?
3. Does it improve access to resources/capital we can't get access to otherwise?
4. Will a regional challenge be addressed that a single entity cannot address?
5. Are the services/tangibles "real" to me and my entity?
6. Is the networking of the COG beneficial to me?
7. Does the COG amplify my voice as a community?
8. Do I/we feel like over time we will see the benefit of our investment?
9. Does the COG help meet our goals or roles that we have identified?

Consent Agenda

**Southwest Colorado Council of Governments
May Board Meeting and Planning Session
Friday, 6 May 2016, 8:30pm
1101 E. 2nd Ave., La Plata Administration Building, Durango, CO 81301**

In Attendance:

Andrea Phillips – Town of Mancos
Dick White – City of Durango
John Egan – Town of Pagosa Springs
Greg Schulte – Town of Pagosa Springs
Lana Hancock – Town of Dolores
Michelle Nelson – Town of Bayfield
Joe Kerby – La Plata County
Mark Garcia – Town of Ignacio
Julie Westendorff – La Plata County
Michael Whiting – Archuleta County
Ron LeBlanc – City of Durango
Chris La May – Town of Bayfield

Staff in Attendance:

Miriam Gillow-Wiles – Southwest Colorado Council of Governments
Sara Trujillo – Southwest Colorado Council of Governments
Jessica Laitsch – Southwest Colorado Council of Governments
Shannon Cramer – Southwest Colorado Council of Governments

Guests in Attendance:

Darlene Marcus – Congressman Tipton's Office
Ken Charles – Department of Local Affairs
Marsha Porter-Norton – Strategic Planning Session Facilitator

Introductions

Marsha Porter-Norton called for introductions at 8:45 a.m.

Andrea Phillips called the regular SWCCOG board meeting to order at 8:53 a.m.

I. Consent Agenda

Andrea requested a motion to separate the 24 March 2016 SWCCOG Executive Committee Meeting minutes from the consent agenda.

John Egan motioned to separate the Executive Committee Meeting minutes for approval, Dick White seconded, unanimously approved.

Dick White motioned to approve the 4 March 2016 Broadband Meeting Minutes, 4 March 2016 SWCCOG Meeting Minutes, February 2016 Financials, and the March 2016 Financials as presented, Michael Whiting seconded, unanimously approved.

Julie Westendorff motioned to approve the 24 March Executive Committee Meeting minutes, Andrea Phillips seconded, unanimously approved.

II. Reports

- a. Legislation Update

Miriam reported on SB16-067, Broadband Personal Property Tax Exemption, stating that the bill has been delayed, and asked if there were questions on any other legislation updates provided in the meeting packet. There were no other questions.

b. Transportation Report

Andrea asked if there were any questions on the transportation report provided in the meeting packet. There were no questions.

c. VISTA Report

Shannon Cramer reported that progress is being made with the shared services and CDL training; training schedule information from Fort Lewis is still pending. Shannon anticipates a training schedule sometime in the summer. For recycling, Shannon confirmed the RREO grant was awarded and an RFQ was sent out for a marketing consultant.

d. Archuleta County Visit Notes

Julie Westendorff said the county visits have been beneficial and allows members to network and share information that otherwise would not be shared. Miriam reminded the members that the next visit is to La Plata County and the City of Durango with a date change to June 17, 2016. Miriam also confirmed the visit notes are not minutes and do not require an approval.

e. 1 April 2016 Meeting Notes

With no quorum, the notes provided in the meeting packet did not require approval. No questions were asked regarding the notes.

f. Durango – La Plata Airport Visit

Julie commented that she and Dick White were the only COG member attendees at this meeting and more member participation would have been beneficial. Dick White said his largest take away was that every operational element of the terminal is currently operating at service level F. The public needs to be educated on the stress point times of the terminal to better understand the need for expansion. Julie recently went to Denver to testify on a bill to allow for inter-governmental agreements across state lines that will help with airport support and future partnerships. In addition, an airport authority may develop in the future. Julie said the amount of broad support from voters is not really known at this time. Joe Kerby commented that three focus groups will be held in the next 30-45 days to find out what voter support looks like currently.

III. Discussion Items

There were no discussion items.

IV. Decision Items

a. CDOT Transportation Coordinator Grant

The Regional Transit Coordinating Council (RTCC) funding is no longer available for the SWCCOG, as it is only a 3 year cycle. Staff would like to apply for funding to develop a Transportation Coordinator position, at a total of 0.75FTE. CDOT Division of Transit and Rail just released their Notice of Funding Availability for administration, operations, and capital operating projects for a two year grant cycle. This application for administration funding for State FY 17 and 18 would be used to retain a 0.75FTE staff position to focus on developing the Transit Council goals/needs and CDOT identified goals. The SWCCOG applied for the same funding last year and were told the Transit Council needed to develop further before CDOT would fund an application for a dedicated position. Miriam provided the job description and a basic budget for the position in the board packet that included funds for the Executive Director's

time based on an average of January through April work on the Transit Council. The cash match from the SWCCOG comes from the TPR, and the in-kind match is 50% of the Executive Director's salary. Dick White asked if there was office space for this position. Miriam replied yes, as our current staff member, Jessica Laitsch, would be taking on this role as she has already been running the Transit Council; therefore, no additional office space, equipment, or training would be required. However, Miriam said the COG may need to bring on an additional admin and is talking with the Alliance and Region 9 regarding splitting an admin person's time and staffing cost between the organizations as all the organizations need an admin, but not at full time. If sharing an admin is feasible, it could be a full-time position, which would be more beneficial to the admin person. Andrea asked if the portion allocated toward the ED salary would be grant funds, in-kind, or an increase in salary. Miriam replied it would be 50% grant funds and 50% in-kind; the ED salary will not be increasing.

Dick White motioned to allow Miriam Gillow-Wiles to apply for the CDOT Transportation Coordinator Grant, Mark Garcia seconded, unanimously approved.

The regular meeting adjourned at 9:15 a.m.

Marsha Porter-Norton opened the strategic planning session at 9:16 a.m. by reviewing the agenda and having members identify who COG customers are; then members split off into groups to identify needs, interests, and customer perceptions of the COG. The following were identified:

- Government – counties and municipalities
 - Needs: aggregation of interests, economics of scale, information/intel
 - Interests: stronger collective voice, lend facilitation & leveraging; aggregate influence, leverage COG to success for own interests (articulate individual interests)
 - Perception: boring but important, adolescent, some departments unknown (invisible to most)
- Non-traditional customers - DOLA, CDOT, Region 9, AAA, Alliance
 - Need: run state-wide initiatives, easier to work regionally versus individually, fund stewardship
 - Interests: utilize COG as liaison to get information out, similar interests (TPR, transit, RREO), regional collaboration, efficient delivery of services
 - Perception: DoLA values COG roles in local government; other organizations good with the exception of the AAA, which is unsteady

Note: Miriam said CDPHE were impressed with the SWCCOG's regional waste audit and have since created a new program around this effort. Michael Whiting said grant funders/contributors look for regional collaboration when awarding funds because the money needs to be spent as efficiently as possible giving the COG greater ability of securing funds. Miriam mentioned that the DoLA 8011 (Down town) grant that involves Bayfield, Ignacio, Silverton, and Pagosa Spring would not have been feasible if communities had applied individually due to budget, but with a collaborative effort, the grant was possible.

- Non-Profits – Region 9, Alliance, Housing
 - Needs: admin services, support, regional collaboration
 - Interests: origination efficiencies and leverage resources
 - Perception: a conduit
- Residents (indirect customer)

- Need: regional tie to services, funding into region
- Interests: cost efficiencies
- Perception: no real awareness of COG or functions

At the end of the exercise, Dick White added legislators as a COG customer. Michael Whiting pointed out that the COG voice, being large, creates a competitive advantage. John Egan said after identifying the customer, customer needs, and customer interests, it is apparent that the COG's roles are coordination, facilitation, administration, collaboration, and advocacy.

With members also being a customer of the COG, Joe Kerby said that La Plata County needs to start seeing dues go down. Miriam pointed out that dues have not increased since 2014 but were simply restructured utilizing a formula the members adopted to correct the previous calculations that were incorrect prior to Miriam's role as the COG's ED. Julie said more equity needs to be felt. What members pay for and what they get back is the issue. The larger entities carry a heavy load and need to feel the return on their investment like the smaller entities.

The group broke for a break at 10:45 a.m. and returned at 11:00 a.m.

Marsha reiterated the COG roles of:

- Coordinate
- Collaborate
- Facilitate
- Administer
- Advocate

The next exercise was to identify trends affecting progress that included:

- The shifting of federal and state funding, making budgeting difficult as some things are no longer paid for
- Oil and gas industry is down
- Marijuana is creating additional revenues but impacting crime
- Instability
- The aging population is creating a strain on services, a loss of the millennial work force to care for the aging population is seen
- People expect more of governments, new rules
- Local food – production interest
- Uncertainty of future climate
- More expensive (livable wages are depleting)
- Housing
- Childcare
- Increase in homeless population
- Daily new trends in technology, digital divide: social media = quicker info
- Media culture - extreme opinion, lack of civility, folks are more polarized
- More broadband
- Capital maintenance of infrastructure – no money, higher cost, aging, deferred maintenance
- Different rates of growth across the region
- Disconnect with what people think is happening versus what is actually happening
- Transportation and services – demands are changing, younger people want choices
- Student debt
- Trade jobs seems to be going away
- Governments more responsive and creative (finding ways to do more with less)

Again, Marsha had members break into groups to complete a SWOT (strengths, weaknesses, opportunities, and threats) analysis. The results were as follows:

| STENGTHS | WEAKNESSES |
|--|---|
| <ul style="list-style-type: none"> • Member mutual respect and collaboration • Board knowledge, diversity, credibility • Competitive advantage • Productivity of staff • Legislative outcomes | <ul style="list-style-type: none"> • Member engagement/commitment • Too many opportunities – easy to dilute what we need to do versus what is desired • Capacity issues (hours in the day and staff to do projects wanted) • Montezuma County receives COG member benefit without participating • Communications/continuity • Indecision, unclear objective • Workspace |
| OPPORTUNITIES | THREATS |
| <ul style="list-style-type: none"> • Easily change communication about successes • Maximize broadband resources • 4CORE • Collaboration with Alliance Executive Director • Board member orientation (new members) • Focused deliverables | <ul style="list-style-type: none"> • Capacity issues (hours in the day and staff to do projects wanted) • Too many opportunities – easy to dilute what we need to do versus what is desired • Complacency • Loss of momentum • Reliance on grants • Inability to absorb/recruit other organizations i.e. AAA – creates a lack in economies of scales • Slowness of decisions • Attrition of members |

The group broke for lunch from 12:25 p.m. to 12:55 p.m.

After lunch, Key Result Areas (KRA) were identified as follows:

- KRA – A
 - Provider leadership and tangible services to members that increase efficiency and effectiveness
 - Create more of a voice
 - Help save money
 - Leverage resources
 - Add value to what we are doing
 - Increase quality of life in SW Colorado for residents, advocating
- KRA - B
 - Enough resources/capacity to do what we set out to do:
 - Adequate staff levels
 - Adequate funding
 - Dues structure that is equitable and provides ROI

Key issues identified include the following:

1. Board training, orientation, and engagement
 - a. Miriam said she is currently working on creating a New Member Packet that will include roles and expectations of the Executive Committee and members. It was decided that in addition to providing the New Member Packet, the Executive Committee and Director shall meet with new members to provide an orientation and brief of COG goals and objectives. Community managers should keep elected officials up-to-date on COG functions and members need to brief any replacement personnel. Outcomes:
 - i. Brief each rep fully
 - ii. Orient new member
 - iii. Develop a New Member Packet
 - b. Distance and time are issues with member engagement. Miriam said she is willing to move COG meetings around if warranted, and although not a perfect system, the conference system has provided some relief to those normally having to travel great distances for meetings. Andrea commented that member engagement goes beyond just showing up to the meeting. For example, Shannon has been attempting communication with communities to progress the shared services effort that has been difficult due to lack of response from members. Michelle Nelson said that for members traveling, ensuring that meetings start and end on time is essential to scheduling and making meetings run smoother. Outcomes:
 - i. Move meetings around
 - ii. Upgrade video equipment
 - iii. Firm meeting start and end times
2. Indecision – getting stuck, losing momentum
 - a. Julie said members need to be more prepared by reviewing meeting agendas and packets prior to meetings. John responded that indecisions are also due to not knowing what the question is. Andrea suggested that staff provide recommendations along with background information in staff reports. Dick pointed out that indecisions also come from a lack of understanding if an issue is resolved by majority or unanimity. Decision making is complicated by potential unwanted financial repercussions to individual communities. Miriam will review by-laws pertaining to majority versus unanimity and include this information in the New Member Handbook. Outcomes:
 - i. Be more prepared - read meeting packets prior to the meeting
 - ii. Post goals and roles to use as guide for decisions
 - iii. Do a better job of framing questions
 - iv. Staff give decision recommendations
3. Montezuma County (& other members)
 - a. Miriam gave a brief overview of her meeting with the Montezuma County Commissioners. After the outcome, Miriam does not recommend having staff spend time on recruiting Montezuma County as a COG member. The members agreed that no more time will be spent on recruiting Montezuma County; however, the ongoing issue is that they receive COG member benefits, such as recycling, although not a member. Michael reiterated that COG membership is not a la carte; the TPR is part of the COG and Montezuma County is part of the TPR but not the COG. Ron LeBlanc said according to by-laws, Montezuma County cannot be denied TPR membership. Michelle suggested creating a member and non-member dues structure. Miriam said that the COG is the policy

board for the TPR, so this would be feasible. There was concern for the effect of non-member dues on tribes as charging the tribes is not wanted with the large amount of participation and funds provided by the tribes. Ron said the by-laws state that tribes can be unofficial members. Outcomes:

- i. Don't put any more staff time into recruiting Montezuma County
 - ii. Develop a non-member (non-COG local government members) fee structure to deal with a la carte situations
 - iii. TPR criteria as they relate to COG membership
4. Improve all member ROI and equity of cost-benefit
- a. Andrea voiced concern about continued memberships if La Plata County chooses to not renew their COG membership. Ron said there needs to be criteria for applying value to help make decisions on what organization to fund, such as Region 9, COG, 4CORE, etc. John commented that sometimes the COG's worth cannot be justified by what members pay for but what they don't have to pay for with transit being an example. Greg Schulte mentioned access to capital where the initial broadband grant that laid fiber in the ground will produce value and bring revenues to the town for decades making the dues and match amounts paid insignificant compared to the overall value brought. Ron said there is value in having the ability to address regional challenges that they would not otherwise be able to address as an individual community. Miriam pointed out that intangible benefits include leveraging resources, legislative work, and advocating. Michael said the ability to network with other members is an invaluable intangible. Julie agreed with the reservation of time frames – how long do members wait for a return? Should members anticipate waiting 2-3 years to see a return on an investment made today? Miriam stated that timing and return will all depend on a project as some are short-term and some long-term. Dick said participation with the COG should align with member's individual organizational goals. For example, a goal of the City Council is to provide leadership. With Dick's participation and involvement with the COG, he is providing leadership, which aligns with the Council's and COG's goals. Michael suggested that members define a lens to use that is explicit to how performance is measured. Julie also mentioned that members should be communicating and bringing ideas and issues to the COG versus the COG trying to communicate and find issues to help solve to the communities. Outcomes:
 - i. Lens – criteria to use as decision support tools
 1. Is the COG providing staff services/admin creating less work for the membership entities?
 2. Does it mean I/we don't have to pay for something?
 3. Does it improve access to resources/capital we can't get access to otherwise?
 4. Will a regional challenge be addressed that a single entity cannot address?
 5. Are the services/tangibles "real" to me and my entity?
 6. Is the networking of the COG beneficial to me?
 7. Does the COG amplify my voice as a community?
 8. Do I/we feel like over time we will see the benefit of our investment?
 9. Does the COG help meet our goals or roles that we have identified?
5. Capacity & sustainability

- a. Miriam said with the current broadband planning grant, staff time is at capacity. When this grant is complete, staff will recommend an infrastructure grant, which will be quite large and take much time. Miriam wants to be sure to have goals and grants that staff can execute well versus many projects that are executed poorly. Miriam said Shannon, the current VISTA, works on shared services and recycling while Jessica Laitsch coordinates the TPR and transit. An additional admin person to share with Region 9 or the Alliance would both reduce overhead and increase capacity. Chris said it is difficult deciding whether to help expand his own organization or the COG organization. Andrea would not like to expand goals as this would mean additional staff. Julie said the priority should be broadband. Outcomes:
 - i. Partner with another organization (Region 9, 4CORE, Alliance) to share admin person/tasks
 - ii. No additional projects at this time
 - iii. Shannon's time ends August 2016 – need to have an effective handoff to next VISTA
 - iv. If 4CORE comes on board, recycling will go under 4CORE
 - v. Put policy statement in place defining what capacity increase means - reaction to something or as result of strategic direction
6. Telling your story
- a. A monthly newsletter was suggested bullet-pointing achievements of the COG and current progress. Julie said this is what the reports in meeting packets are for and suggested COG members read those reports and take the information back to their communities. Ron agreed it is the member's responsibility to bring this information to their boards. Michael said the COG meetings used to have a section for member updates, which has been pushed along the wayside; this section needs to be brought back and time provided at every meeting. Mark Garcia suggested an annual report be provided. These reports should come out in October before member budgeting. Michelle said the emails from Miriam of COG successes are great and would like to continue seeing these. Outcomes:
 - i. Posting goals at each meeting
 - ii. Members taking report information back to their board and community
 - iii. Staff to create an annual report and distribute in October of each year

The strategic planning session adjourned at 2:47 p.m.

The state of the COG and goal setting were set aside and will be presented at the June meeting due to time.

AAA

Julie suggested the COG terminate or wait until the AAA/COG contract expiration as the contract is not working. The AAA Executive Director has no interest in taking direction from the COG or communicating effectively to understand what it would mean to come under the COG. In addition, the AAA board has no interest in being part of the COG. With the bookkeeping contract not working, Julie does not suggest the COG move forward with the AAA efforts at this time.

4CORE

Miriam reported that 4CORE feels the COG is uninterested in an acquisition due to little progress being made on the acquisition and would like a letter of commitment. The 4CORE fiscal year is the same as the COG's, so an attempted acquisition date of 1/1/2017 would be

appropriate if the membership wants to move on this opportunity. The membership raised the following questions in regards to bringing 4CORE under the COG:

- 4CORE is La Plata County centric; being under the COG and serving the entire region, what will this do to 4CORE's finances and strategy?
- How will 4CORE benefit the entire region?
- Is an acquisition date of 1/1/2017 feasible?
- What will the impact on COG dues with 4CORE being brought under the COG umbrella look like?
- Need a fiscal analysis
- What will the efficiencies in admin overhead be?
- Will this cost the COG money?
- What additional roles will Miriam have being the ED of 4CORE?
- What will be the solution to office space issues?
- What is the COG organization capacity?
- How will 4CORE be oriented to doing business as the COG does?
- Will this change the organizational structure of the COG? If so, how?
- Will other electric companies be involved if 4CORE were a regional organization such as Empire Electric and San Miguel Electric?

A special committee including Miriam Gillow-Wiles, Dick White, and Mark Garcia was established to create a report addressing the above questions and providing a recommendation to the board. Andrea said that this effort with merging 4CORE is not a priority of the Town of Mancos as interest lies mostly with shared services and broadband efforts.

Broadband Planning Grant

Diane Kruse, Neo Fiber contractor, gave a project status update summarized as follows:

- The community outreach meetings were well attended with the largest concern being around the lack of available services. Services that are available are not affordable or reliable.
- Local ISP concerns are funding and working together to prevent duplication and cost sharing in addition to needing policies and ordinances.
- Existing assets have been mapped to include the SCAN network, EGALE-Net, Zayo, CDOT, FastTrack, Skywerx, and TriState.
- Dark Fiber Leasing Issues
 - Current Pricing: \$60/mile/fiber/month
 - Full Cost Recovery Pricing: \$30/foot or \$158,400/mile to build it new; a 60 month ROI would be \$2,640/mile/month for the entire fiber "bundle"
 - 1 to 2 service providers pay to use this per route: A cost recovery model price should be \$1,320/mile
 - Actual Cost Recovery Pricing: (Assuming a 50% match) \$1,320/mile/month for the entire fiber "bundle"
 - 1 to 2 service providers pay to use this per route: Actual cost recovery model price should be \$660/mile
- Next Steps
 - Financial model with updated dark fiber lease pricing; closer on VLAN services
 - Preliminary design and engineering and projected capital costs for a Middle Mile network; potential phasing and partners
 - Request for Information/Proposal for Public Private Partnerships for Last Mile expansion

Andrea asked if members were allowed to sell fiber strands from the SCAN network. Ken Charles replied no, that members can lease but not sell. Miriam said an RFP will be going out soon and will be sent to all members for review.

The strategic planning session adjourned at 4:55 pm.

Balance Sheet

As of April 30, 2016

| | <u>Apr 30, 16</u> |
|---------------------------------------|-------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| Alpine Bank Account (UR) | 122,594.90 |
| Total Checking/Savings | 122,594.90 |
| Accounts Receivable | |
| Accounts Receivable | 97,130.46 |
| Total Accounts Receivable | 97,130.46 |
| Total Current Assets | 219,725.36 |
| TOTAL ASSETS | 219,725.36 |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Credit Cards | |
| Credit Cards | |
| Miriam | 892.21 |
| Sara | 276.80 |
| Total Credit Cards | 1,169.01 |
| Total Credit Cards | 1,169.01 |
| Total Current Liabilities | 1,169.01 |
| Total Liabilities | 1,169.01 |
| Equity | |
| Opening Balance Equity | 43,035.42 |
| Net Income | 175,520.93 |
| Total Equity | 218,556.35 |
| TOTAL LIABILITIES & EQUITY | 219,725.36 |

Southwest Colorado Council of Governments
Profit & Loss Budget vs. Actual
April 2016

05/05/16

Accrual Basis

| | Apr 16 | Budget | % of Budget |
|------------------------------------|-----------|-----------|-------------|
| Income | | | |
| All Hazards | 0.00 | 0.00 | 0.0% |
| DoLA Grants | | | |
| DoLA 7645 | 4,898.98 | | |
| DoLA 8010 | | | |
| DoLA 8010 Grant Match | 0.00 | 0.00 | 0.0% |
| DoLA 8010 - Other | 24,192.50 | | |
| Total DoLA 8010 | 24,192.50 | 0.00 | 100.0% |
| DoLA 9038 | 4,150.00 | | |
| DoLA Grants - Other | 0.00 | 33,241.48 | 0.0% |
| Total DoLA Grants | 33,241.48 | 33,241.48 | 100.0% |
| Dues Revenue | | | |
| COG Dues | 0.00 | 0.00 | 0.0% |
| SWTPR Dues | 0.00 | 0.00 | 0.0% |
| Total Dues Revenue | 0.00 | 0.00 | 0.0% |
| RREO Grant | 0.00 | 0.00 | 0.0% |
| SCAN Services | | | |
| Dark Fiber Leasing | 5,064.00 | 5,064.00 | 100.0% |
| e-TICS | 0.00 | 0.00 | 0.0% |
| Fiber Equipment Repair Fund | 0.00 | 0.00 | 0.0% |
| Telecom Service | 2,070.00 | 2,070.00 | 100.0% |
| Total SCAN Services | 7,134.00 | 7,134.00 | 100.0% |
| SJB AAA | 483.75 | 483.75 | 100.0% |
| SWTPR CDOT Grant | 0.00 | 0.00 | 0.0% |
| Transit LCC Grant | 0.00 | 0.00 | 0.0% |
| Total Income | 40,859.23 | 40,859.23 | 100.0% |
| Gross Profit | 40,859.23 | 40,859.23 | 100.0% |
| Expense | | | |
| Advertising and Promotion | 254.84 | 254.84 | 100.0% |
| All Hazards Projects | | | |
| All Hazards 2015 SHSP | 1,085.00 | | |
| All Hazards Projects - Other | 0.00 | 1,085.00 | 0.0% |
| Total All Hazards Projects | 1,085.00 | 1,085.00 | 100.0% |
| AmeriCorp VISTA | 0.00 | 0.00 | 0.0% |
| Bank Service Charges | 40.00 | 40.00 | 100.0% |
| Consulting | 31,817.14 | 31,817.14 | 100.0% |
| Employee/Board Appreciation | 0.00 | 0.00 | 0.0% |
| Insurance Expense | | | |
| General Liability | 0.00 | 0.00 | 0.0% |
| Health | 1,828.00 | 1,828.00 | 100.0% |
| HSA | 0.00 | 0.00 | 0.0% |
| Worker's Compensation | 0.00 | 0.00 | 0.0% |
| Total Insurance Expense | 1,828.00 | 1,828.00 | 100.0% |
| Internet Connectivity | | | |
| Data Back-up | 0.00 | 0.00 | 0.0% |
| Fast Track | 900.00 | 900.00 | 100.0% |
| Software | 184.00 | 184.00 | 100.0% |
| Internet Connectivity - Other | 36.99 | 36.99 | 100.0% |
| Total Internet Connectivity | 1,120.99 | 1,120.99 | 100.0% |
| Meetings | 961.65 | 961.65 | 100.0% |
| Membership Fees | 2,300.00 | 2,300.00 | 100.0% |
| Office Equipment | 39.27 | 39.27 | 100.0% |
| Office Supplies | 133.39 | 133.39 | 100.0% |
| Postage and Delivery | 26.30 | 26.30 | 100.0% |

Southwest Colorado Council of Governments
Profit & Loss Budget vs. Actual
April 2016

05/05/16

Accrual Basis

| | Apr 16 | Budget | % of Budget |
|------------------------------------|-------------------|-------------------|---------------|
| Professional Fees | | | |
| Audit Fees | 0.00 | 0.00 | 0.0% |
| Legal | 72.00 | 72.00 | 100.0% |
| QuickBooks/Bookkeeper | 0.00 | 0.00 | 0.0% |
| Professional Fees - Other | 300.00 | 300.00 | 100.0% |
| Total Professional Fees | 372.00 | 372.00 | 100.0% |
| Rent Expense | 0.00 | 0.00 | 0.0% |
| RREO Equipment | 0.00 | 0.00 | 0.0% |
| Salary and Wages | | | |
| Car Allowance | 300.00 | 300.00 | 100.0% |
| Cell Phone Allowance | 390.00 | 390.00 | 100.0% |
| Payroll Processing Fee | 115.69 | 115.69 | 100.0% |
| Payroll Tax | 800.16 | 800.16 | 100.0% |
| Retirement | 270.38 | 270.38 | 100.0% |
| Salary and Wages - Other | 10,226.55 | 10,226.55 | 100.0% |
| Total Salary and Wages | 12,102.78 | 12,102.78 | 100.0% |
| SCAN Services Expense | | | |
| Dark Fiber Lease | 0.00 | 0.00 | 0.0% |
| Fiber Equipment Repair | 0.00 | 0.00 | 0.0% |
| Total SCAN Services Expense | 0.00 | 0.00 | 0.0% |
| Software Maintenance | 1,400.00 | 1,400.00 | 100.0% |
| Travel Expense | 0.00 | 0.00 | 0.0% |
| Total Expense | 53,481.36 | 53,481.36 | 100.0% |
| Net Income | -12,622.13 | -12,622.13 | 100.0% |

Southwest Colorado Council of Governments

Profit & Loss

05/05/16

April 2016

Accrual Basis

| | Apr 16 |
|------------------------------------|-------------------|
| Income | |
| DoLA Grants | |
| DoLA 7645 | 4,898.98 |
| DoLA 8010 | 24,192.50 |
| DoLA 9038 | 4,150.00 |
| Total DoLA Grants | 33,241.48 |
| SCAN Services | |
| Dark Fiber Leasing | 5,064.00 |
| Telecom Service | 2,070.00 |
| Total SCAN Services | 7,134.00 |
| SJB AAA | 483.75 |
| Total Income | 40,859.23 |
| Gross Profit | 40,859.23 |
| Expense | |
| Advertising and Promotion | 254.84 |
| All Hazards Projects | |
| All Hazards 2015 SHSP | 1,085.00 |
| Total All Hazards Projects | 1,085.00 |
| Bank Service Charges | 40.00 |
| Consulting | 31,817.14 |
| Insurance Expense | |
| Health | 1,828.00 |
| Total Insurance Expense | 1,828.00 |
| Internet Connectivity | |
| Fast Track | 900.00 |
| Software | 184.00 |
| Internet Connectivity - Other | 36.99 |
| Total Internet Connectivity | 1,120.99 |
| Meetings | 961.65 |
| Membership Fees | 2,300.00 |
| Office Equipment | 39.27 |
| Office Supplies | 133.39 |
| Postage and Delivery | 26.30 |
| Professional Fees | |
| Legal | 72.00 |
| Professional Fees - Other | 300.00 |
| Total Professional Fees | 372.00 |
| Salary and Wages | |
| Car Allowance | 300.00 |
| Cell Phone Allowance | 390.00 |
| Payroll Processing Fee | 115.69 |
| Payroll Tax | 800.16 |
| Retirement | 270.38 |
| Salary and Wages - Other | 10,226.55 |
| Total Salary and Wages | 12,102.78 |
| Software Maintenance | 1,400.00 |
| Total Expense | 53,481.36 |
| Net Income | -12,622.13 |

Reports

Director's Report

To: SWCCOG Board of Directors
From: Miriam Gillow-Wiles
Date: 3 June 2016

Comments: **Ute Mountain Ute**

NeoConnect and I met with the Tribal staff in early May to discuss the Regional Broadband Plan, and how they might participate, if they chose to do so. After the meeting with staff, the SWCCOG was put on the agenda during a work session for Tribal Council on May 24th. We discussed the SWCCOG, the plan, and what participation might look like from Tribe, as well as their needs for broadband in both Towaoc and White Mesa. The next meeting will be June 7th, where hopefully they are able to partner on the regional plan.

City of Durango Visit – June 17th

The SWCCOG Executive Committee will be visiting the City of Durango on June 17th from 9-12pm. This is open to any of the other members to attend. Please contact Sara or Jessica if you are planning on attending.

Mountain Connect Conference

I will be attending Mountain Connect from June 4th – June 8th in Keystone, and will be out of the office during that time. Julie Westendorff and Michael Whiting will also be attending the Elected Officials Broadband 101 session. During this conference the Colorado Office of Information Technology creates a flyer and highlights various projects across the state. The SWCCOG's regional planning process will be highlighted.

National Association of Regional Councils, Annual Conference – Broadband Presentation

The SWCCOG is a member of the National Association of Regional Councils (NARC), and their annual conference is June 27-29th in Salt Lake City and is focused on transportation this year. Many local governments have become interested in Broadband, so too have other COGs. There are several sessions focused on broadband this year, and I have been asked to present on a panel about regional support for broadband on June 27th. The SWCCOG and the SCAN are not only state leaders in broadband, we are becoming national leaders.



SWCCOG

Summary Information and Feedback from ISP Meetings, Broadband Policies and Ordinances

SUBMITTED BY NEO CONNECT

APRIL, 2016

Durango Community Outreach Meeting for Service Providers

This event was well attended with twelve attendees representing six service providers: ForeThought.net, Cedar Networks, Skywerx, AlignTec, Fast Track Communications and Century Link. Additionally, several industry experts and a number of private citizens engaged in the dialogue as well. Discussion topics included broadband friendly policies, partnership and collaboration opportunities and common challenges faced by the industry.

All attendees agreed on the value of the broadband friendly policies set forward. There was much discussion surrounding the practices of dig-once/open trench, shadow conduit installs, joint build efforts and streamlining of the permit process. Much of the **trenching and conduit** conversation focused on the idea of creating a conduit sharing/leasing process. This could potentially look very similar to a fiber IRU agreement with interested parties gaining exclusive access to specific, shadow conduit space at the time of construction. Another possible model would create a pre-commitment fund. Service providers would be willing to pre-commit to sharing in the costs of conduit being placed and costs for shadow conduit could be shared amongst all participating parties.

The **permitting** process was discussed at length as well during this meeting. All providers were in agreement that getting access to county and city owned facilities, and municipal rights of way is incredibly costly in time and effort. According to the service providers, the City of Durango seems to be less responsive and unnecessarily complicated by comparison with other local governments. Frustration with cross-departmental permitting was particularly high and several provider representatives identified Durango Parks and Rec as a “permitting black hole” with unreasonably long turn-around times.

A number of providers described their extreme dissatisfaction with the permitting process of the U.S. Forest Service. This process can, and often does take as long as two years to complete. This was described as egregious when compared with other federal and state agencies. Moreover, everyone agreed that impact and usage fees continue to rise and are quickly becoming a central issue in network expansion plans. Several service provider representatives voiced their frustration (and astonishment) at recent changes in height restrictions for tower facilities in La Plata County, in light of commitments by county officials to improve and streamline the process.

Additional common challenges include pole access throughout the region, a shortage of quality OSP construction services and the need for a local, long-term data storage center. Local utility providers, including La Plata Electric Association and San Miguel Power Association currently have highly complicated and time intensive application processes. Cedar Networks characterizes its current position as ready to deploy fiber to the home services in Durango. However, implementation is contingent upon LPEA utility pole access, for which permit applications have been submitted. The expected response, based on previous experience, is a blanket denial without detail or explanation.

NEO Connect provided the following information to the members of SWCCOG regarding recommended policies and ordinances that the cities and counties can implement to provide and further accelerate broadband deployment. NEO also provided language for policies and ordinances that have been adopted by other communities throughout the U.S. Sample ordinances have been given to the SWCCOG. Below is a summary of the suggested policies and ordinances and components of each.

In Summary, Policies and Ordinances to Accelerate Broadband Deployment

- a) Coordination with other city capital projects (sidewalks, trails, lighting, road widening projects - may all be opportunities to install conduit)
- b) Coordination with utility projects by private agencies
- c) Integrating broadband “utility” codes into land development policies, city ordinances and use of public rights of way policies
- d) Set up funding mechanisms to allow for adoption of these policies
- e) Keeping GIS database of all infrastructure, process to submit plans

Reduce Construction Costs of Broadband Infrastructure

- **Dig Once Policy**
 - All public works or installation of other telecom, cable or utility infrastructure allows for conduit to be placed on behalf of the City and any other entities that want to participate
 - Allows for a notice period informing other entities that work in the right of way will be happening; entities have an opportunity to put in empty conduit
 - Allows for shadow conduit to be placed on behalf of the City whereby the City incurs only the incremental cost of the conduit material
- **Open Trench** – coordination of street cuts and excavations with utilities, public works, developers and other interested parties to maximize the opportunity for broadband conduit installation, and to minimize cost, disruption and damage.
- **Shadow Conduit** – installation of empty and/or spare conduit by a public agency when excavations occur in the public right of way, with agency costs limited to incremental costs.
- **Joint trenching agreements and Joint build agreements**
 - developed between public and private organizations

- minimize the cost of constructing conduit in the local area
 - allowing each entity to take advantage of trenches that have been opened through each other's projects.
 - Standardization of these agreements across all potential owners of underground infrastructure can be established to ensure all parties are aware of the joint trenching opportunities as they become available.
- **Streamlined Permitting Process** – placing responsibility for approval of broadband infrastructure projects solely in the public works department via encroachment permit processes.
 - **Abandoned fiber and conduit** – if conduit or fiber has been abandoned or is not being used, then the ownership of the abandoned conduit or fiber reverts to the City.

Integrating broadband “utility” codes into land development policies, city ordinances

- **New land developments or real estate developments must install fiber optic infrastructure** – E.g. Loma Linda's Connected Community Program “The Loma Linda Standard mandates that new construction connect to the City's fiber optic communications infrastructure. Other vendors and wiring plans can optionally be installed provided the building meets the minimum Codes. The Building Codes describe specific compatible communications components and architectures into each new building, describe development and use of City right-of-ways for communications connectivity, and standardizes specific wiring standards for structures.”
- **Conduit and fiber standards for new home construction** – the City of Brentwood passed an *advanced technology systems* ordinance in 1999, requiring developers to include conduit and fiber in newly built homes.

Set up funding mechanisms to allow for adoption of these policies

- Establish an infrastructure fund set-aside
- Allocate monies to build broadband infrastructure when opportunities arose
- The fund would maintain a reserve or set-aside for unanticipated projects

GIS Mapping of all Assets

GIS Logging – routine entry of conduit and other broadband asset data into geographic information systems and establishing a requirement that plans and other information be submitted by utilities, developers, contractors and others in an appropriate GIS format.

CenturyLink CAFII Funding

16 May 2016, 10:00 a.m.

La Plata County Admin Building, 1101 E 2nd Ave, Durango

In attendance:

Dick White - City of Durango

Michael Whiting – Archuleta County

Roger Zalneraitis - La Plata County Economic Development Alliance

James Torres - La Plata County

Abel Chavez - CenturyLink

Tim Kunkleman - CenturyLink

Daran Saint – CenturyLink

Peter Beaudette – CenturyLink

Mike Gardener - CenturyLink

Miriam Gillow-Wiles - Southwest Colorado Council of Governments (by phone)

Sara Trujillo - Southwest Colorado Council of Governments

Shannon Cramer - Southwest Colorado Council of Governments

Beth Smith – Town of Rico (by phone)

Diane Kruse - NEOFiber (by phone)

Steve Burkholder – NEOFiber (by phone)

Greg Schulte – Town of Pagosa Spring (by phone)

Andrea Phillips – Town of Mancos (by phone)

Chelsea Jones – Montezuma County Economic Development (by phone)

Morgan Murri – Pagosa Springs Community Development (by phone)

Julie Westendorff – La Plata County (by phone)

The meeting began at 10:05 a.m.

1. Connect America Fund (CAF) 2 program overview and benefits to Southwest Colorado:

Abel Chavez gave a summary of the America Fund that included the following:

- The Connect America Fund are federal funds to deploy broadband in high cost areas
- Century Link accepted \$150 million in August 2015 for a 6-year broadband improvement project to unserved areas
- The FCC defined “unserved” as areas with less than 10 Mbps down/1 Mbps up service and any areas not currently served by cable TV or fixed wireless
- Under the FCC requirements, Century Link is to deploy broadband to a minimum of 50,000 locations in Colorado statewide
- The FCC identified 80,000 unserved areas giving Century Link 60% of this unserved total to deploy services for over the next 6 years with a speed of 10 Mbps down/1 Mbps up; opportunities will still exist post project due to inevitable gaps

After the Connect America Fund summarization, Abel provided an update on the project’s first year that included the following:

- A series of meetings have been conducted to analyze the feasibility of the plan with 33 of the eligible 37 states being accepted

- The current plan for 2016 is to enable 16 locations with 10 Mbps down/1 Mbps up service to be complete by the end of 2016.
- With those areas meeting FCC project requirements, 32,000 customer will receive benefit from the Connect America Fund investment with improved services
- A “halo” effect may reach to areas beyond the intended service area bringing broadband service to additional people

Daran Saint provided information for local area plans and sites that will be upgraded in Pagosa Springs west, CR 600, east of the McCabe area, and the Piedra community area on Highway 160. Miriam asked if the maps Century Links has could be shared with the SWCCOG. Abel replied that the maps are not ready and that Century Link would not like to share this information prematurely or give inaccurate expectations in case plans change due to unforeseen circumstances. Once the construction is complete, maps will be shared. Pete Beaudette said Century Link could share the vicinity box locations. Michael Whiting asked if these builds would expand on Century Link’s footprint or be just a backfill on current Century Link areas. He also asked if 10 Mbps down/1 Mbps up will be the actual speed at a residential home because that is not up to the current industry standard. Abel responded that the improvement areas are current Century Link locations deemed eligible by the FCC for upgrade. He added that the minimum speed will be 10 Mbps down/1 Mbps up as established for this project by the FCC, but some customers, by virtue of the improvements, could see faster speeds. Greg Schulte asked if downtown Pagosa Springs will be part of the Connect America Fund project. Abel said the areas for improvement are approved by the FCC, not Century Link, and that downtown Pagosa Springs is not included in the project.

Daran said other local area plans and sites include Dolores, which includes the Town of Dolores and Dolores County, on CR 25, CR S, CR W, and CR 33 among other locations. Pete said there are five build sites for 2016 in the Town of Bayfield that include the Forest Lakes and Vallecito areas. The upgrades are expected to positively affect 977 residents and possibly 1850 residents with the “halo” effect. Michael asked about the average cost per location. Daran replied that construction and placement costs vary per area, so average cost information is not known. Abel said the project cost is \$150 million for 50,000 locations. Pete said the Cortez upgrades will affect CR L, Highway 491, and US Highway 160 south of Cortez. Miriam Gillow-Wiles asked if the plans will reach to Towaoc. Pete responded that Towaoc is not in the 2015-2016 plans but may be considered in future years. Beth Smith asked if the Town of Rico is included in the project. Abel said according to the FCC requirements, Rico is not eligible due to current services provided by Farmers Telephone Company and Rico is not a current Century Link served area and only areas currently served by Century Link are included in the project. The FCC is considering future programs for areas served by small phone companies, so the Town of Rico may see an opportunity in the future.

Abel said once the upgrades are complete, Century Link will do an aggressive marketing campaign to let customers know of the improvements. It is important that customers purchase the services as revenues are essential for future upgrades and maintenance. Abel asked that the SWCCOG promote wireless services resulting from this program. Miriam asked if the 10 down/1 up speed is DSL. Abel confirmed, yes, the technology is DSL and that Century Link is exploring other technology and possibilities for future years. DSL is what is feasible in the SW Colorado area due to higher costs. Abel said some technologies are still in the R&D phases. Julie Westendorff said she is frequently asked when improvement will be seen. Abel said the plans for 2016 should be complete by year’s end and improvement seen. Century Link will notify all eligible customers of improvement once construction is complete. Julie asked how this project ties into the SWCCOG’s current broadband planning project. Diane Kruse said Century

Link's project is synergistic with the SWCCOG's broadband plan and has potential of creating beneficial public-private partnerships.

2. Private Public Partnerships (P3s) and how they can be used to leverage resources and expand consumer benefit from CAF 2:

Abel said that Century Link is looking to develop partnerships with providers, municipalities, and the SWCCOG as these partnerships can provide sharing of information, additional grant opportunities for the future and help to further leverage CAF2 funding for partners currently ineligible. Pete said anytime a provider is considering a build, costs are large, so partnerships are beneficial for cost sharing. Century Link will be in the position to sell or lease bandwidth to networks not currently serviced. Miriam mentioned Region 10 who went through a similar planning process working to develop middle mile and asked if Century Link has any plans to partner and help with middle mile development. Abel said Century Link's focus and goal is not on middle mile but last mile as middle mile does not get to the end customers. Miriam said middle mile is necessary to reach last mile customers. Abel reiterated that there is no intention of developing middle mile and wants to be sure Century Link and the SWCCOG's goals are in alignment. Miriam said to get service to those who need and want it that there must be a middle mile. Abel expressed concern of duplicating the middle mile. Miriam explained that there needs to be better open access for the middle mile that currently exists in order to prevent duplication; there have been attempted efforts at partnerships to use existing middle mile infrastructure with no collaboration. The COG's broadband planning grant will be complete in July 2016 and, as the COG is not and has no desire to be a service provider, the COG will request an infrastructure grant for middle mile connection as there is not a lot of connection between areas in the region. Diane said she will share the broadband planning grant outcomes when complete.

Miriam stated that Century Link has not been willing to do public – private partnerships in the past and asked what has changed and how these partnerships have worked with Century Link and other partners. Abel said with changes in demand for broadband resulting from dramatic growth and a high cost in rural areas, Century Link is looking at all possibilities beyond what they are accustomed to. Century Link has looked at DoLA efforts and seen that communities are interested in working with providers to find a new model; Century Link recognized this opportunity and it has caused them to relook at how and what they are doing. In addition, Abel said Century Link is looking at the finite capital in the Southwest Colorado region. Miriam asked what other communities Century Link has successfully partnered with. Abel said the Connect America Fund is a partnership. Michael pointed out that the broadband must be affordable and reliable; there are already a lot of people with a 10 down/1 up service. This service is not adequate for home-based occupations. Michael said the COG should be part of the CAF2 plan to understand the planning process and leverage infrastructure already in the ground. The COG has SCAN fiber and Century Link has fiber, cooperation will help the region get to the next level. Abel agreed and said Century Link is very interested in participating in partnership efforts and has a commitment to rural Colorado.

Roger Zalneraitis said although the FCC is saying 10 down/1 up is okay, it really is not and asked what Century Link is doing with these builds to ensure higher speeds are available in the future so additional construction will not be required. Abel said Century Link is trying to figure out what the actual usage is and to build a network capable of higher speeds. The goal of CAF2 is to push speeds as close to the demand as possible. Miriam said more detail on the Century Link plans and build are needed to integrate the information into the COG's broadband plan. Abel stated a concern about the Century Link timeframes not matching with the COG's

broadband planning grant, but that information will be shared when construction is complete at the end of 2016.

3. Other Discussion

4. Questions and Answers

The meeting ended at 11:20 a.m.

Legislative Update

To: SWCCOG Board of Directors
From: Jessica Laitsch
Date: 3 June 2016

Comments: Below is the final status of the following bills in the 2016 legislative session:

SB16-011 – Terminate the use FASTER fees for transit:
Postponed indefinitely in House committee

HB16-1018 – Statewide Transportation Advisory Committee Procedures:
Signed by Governor

HB16-1031 – Modify Transportation Commission Membership (authorization of a study):
Sent to Governor

HB16-1169 – Allow Tribes to Vote at Statewide Transportation Advisory Committee:
Staff and Ute Mountain Ute Councilwoman Regina Lopez-Whiteskunk testified to the Senate Committee on Transportation on March 22. Signed by Governor.

SB16-136 – Broadband Deployment:
Postponed indefinitely in Senate State, Veterans, & Military Affairs Committee.

SB16-067 – Broadband Personal Property Tax Exemption:
Postponed indefinitely in House Finance Committee.

Transportation Report

To: SWCCOG Board of Directors
From: Jessica Laitsch
Date: 3 June 2016

Comments: Transportation:

The next TPR meeting will be held Friday, June 3, 2016 from 9 am -12 pm at the Carnegie Building.

Transit:

Staff attended the Colorado Association of Transit Agencies spring conference from May 10-13.

The Transit Council met on Friday, May 20. The discussion included:

- Criteria for participation in the transit marketing project supported by the COG's DOLA Energy Impact Assistance grant. This criteria is that agencies must be a) CDOT partner transit agencies and b) either a member organization of the SWCCOG or an agency that receives funding from at least one SWCCOG member organization.
- Further discussion on Google Transit.

The next Transit Council meeting will be held Friday, July 15, 2016 at 9 at the Carnegie Building.

VISTA Report

To: SWCCOG Board of Directors

From: Shannon Cramer

Date: 3 June 2016

Comments:

Shared Services

I have been continuing work on the partnership with the Southwest Colorado Community College (SCCC). I have sent the community college the number of county, town, and city employees that are looking to test for licenses, and they are working on sending the COG prices and information on when testing and training will be. In addition to this I have been working on getting information for demonstrations of Fossil Water, or calcium chloride dust suppressant, for members. I am looking into possibility for them to do three demonstrations around the region. In addition, I would like to alert COG members that I sent out an email listing all of the CIRSA trainings that will be happening in the region until August.

Recycling:

I would like to get information from members as to whether or not they would be interested in getting free recycling bins from the Keep America Beautiful Program by the Dr. Pepper/Snapple Group. The SWCCOG will apply for the grant on behalf of members, and if we are awarded, bins will be delivered at no charge to COG members who wish to have them. The grant only covers the bin itself, so governments will be responsible for finding a hauler to collect the recyclables.

Discussion Items

RFI Comments

To: SWCCOG Board of Directors
From: Miriam Gillow-Wiles
Date: 3 June 2016

Comments: At the May 2016 Board Meeting and Retreat, NeoConnect presented that there will be an RFI for public private partnerships for broadband development, including building, operating, and maintaining infrastructure. At that time the Board indicated the desire to review the RFI. Attached is the RFI. Diane and Steve will be joining us by phone or video for feedback. Given the time constraints for this meeting, we would prefer any longer comments to be emailed to the Executive Director.



Request for Information

BROADBAND PUBLIC PRIVATE PARTNERSHIPS

RESPONSES DUE:

July 5th, 2016 prior to 4:00 p.m.
Southwest Colorado Council of Governments
PO Box 963
Durango, CO 81302
info@swccog.org

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REQUEST FOR INFORMATION for BROADBAND PUBLIC PRIVATE PARTNERSHIP

The Southwest Colorado Council of Governments (SWCCOG) is committed to seeking partners in an initiative to bring world-class, high speed Internet infrastructure to homes, businesses and anchor institutions (“Last Mile Internet Services”) to communities, tribal lands and inhabited areas of the counties within the region. The region encompasses numerous local government jurisdictions, consisting of Archuleta, Dolores, La Plata, and San Juan Counties as well as the municipalities of Bayfield, Cortez, Dolores, Durango, Ignacio, Rico, Ute Mountain Ute Tribal Lands, Mancos, Pagosa Springs, and Silverton (“the Region”). SWCCOG seeks innovative private-sector business partners interested in building, operating and maintaining a high speed network that will eventually be capable of offering up to Gigabit Internet services in the Region.



Currently SWCCOG is undertaking a regional broadband planning effort that is funded in part by an Energy and Mineral Impact Assistance Fund (EIAF) grant awarded through the Colorado Department of Local Affairs (DOLA). The broadband planning effort is still underway and the responses to this Request for Proposal will be included in the regional broadband plan to improve broadband services availability, abundance, redundancy and affordability.

Under consideration currently to improve broadband services is middle mile connectivity potentially between communities and anchor institutions. It is contemplated that the Region will leverage grant funding and other partnerships to put this middle mile infrastructure in place. This in no way infers that the current considerations will be implemented, adopted, funded or built. However, based upon initial feedback from the existing service providers in the Region, improved redundancy and facilitation of fiber builds to and between communities, to various residential neighborhoods and business parks and tribal lands may improve abilities to offer more abundant broadband services from the service providers. Other considerations for making broadband infrastructure investment more affordable include implementing policies and ordinances such as dig once, one touch make-ready, streamlined permitting processes and joint build agreements.

The purpose of this RFI is to extend an invitation to partner with the SWCCOG and its member communities and counties in improving broadband services. The primary questions posed within this RFI are – “If key investments in middle mile connectivity are made from government entities, grants and potential other partners, what would your company provide for Last Mile Internet Services?” and, “What Public Private Partnership arrangements and structure would facilitate more investment in Last Mile Internet Services?”

Proposals will be accepted until 4:00 p.m. on July 5th, 2016. Proposals must be sent to the attention of Miriam Gillow-Wiles and may be delivered via mail, in person, or via e-mail. All paper responses must also include an electronic copy (USB) of the proposal.

USPS: Southwest Colorado Council of Governments, PO Box 963, Durango, CO 81302

In person/UPS/FedEx: Southwest Colorado Council of Governments, 1188 E. 2nd Ave, Durango, CO 81301 (Do NOT mail to this address)

Email: info@swccog.org, subject line: *SWCCOG RFI for Broadband Public Private Partnership*

Only proposals received (not postmarked) by the deadline will be accepted. No proposals which are received after the time and date stated above will be considered, and any proposals so received after the scheduled closing time and date mentioned above shall be returned to the submitting vendor unopened. Hand carried, UPS, or FedEx proposals must be delivered to the SWCCOG at the street address shown above.

SECTION 1: INTRODUCTION AND BACKGROUND INFORMATION

A. General/Background

The SWCCOG is committed to seeking partners in an initiative to bring world-class, high speed Internet infrastructure to the participating communities in the Region. The SWCCOG and its members are seeking creative Public Private Partnerships with service providers to improve Last Mile Internet Services throughout the Region.

In 2010, the SWCCOG was awarded a \$3 million Department of Local Affairs grant to implement a high capacity network for the regional governments. This network, known as the Southwest Colorado Access Network (SCAN), was the SWCCOGs first large scale endeavor. The total project, including local matching funds, was over \$4 million.

The primary driver for this initiative was the lack of affordable broadband options and in some cases complete absence of broadband capabilities in the region. Economic growth and education in southwest Colorado depend in large part on telecommunications services available to public and private institutions, businesses, and residents. Unfortunately, southwest Colorado communities exist at the endpoint of the nation's telecommunications networks and are not fully integrated into the larger digital world. Limited access to broadband services and applications limit institutions, individuals and businesses from being able to participate fully in 21st century technology in which health care, education, and other important aspects of American life are online. Government services and democratic participation are also shifting to digital platforms.

Better access to broadband services should (by no means is this a comprehensive list):

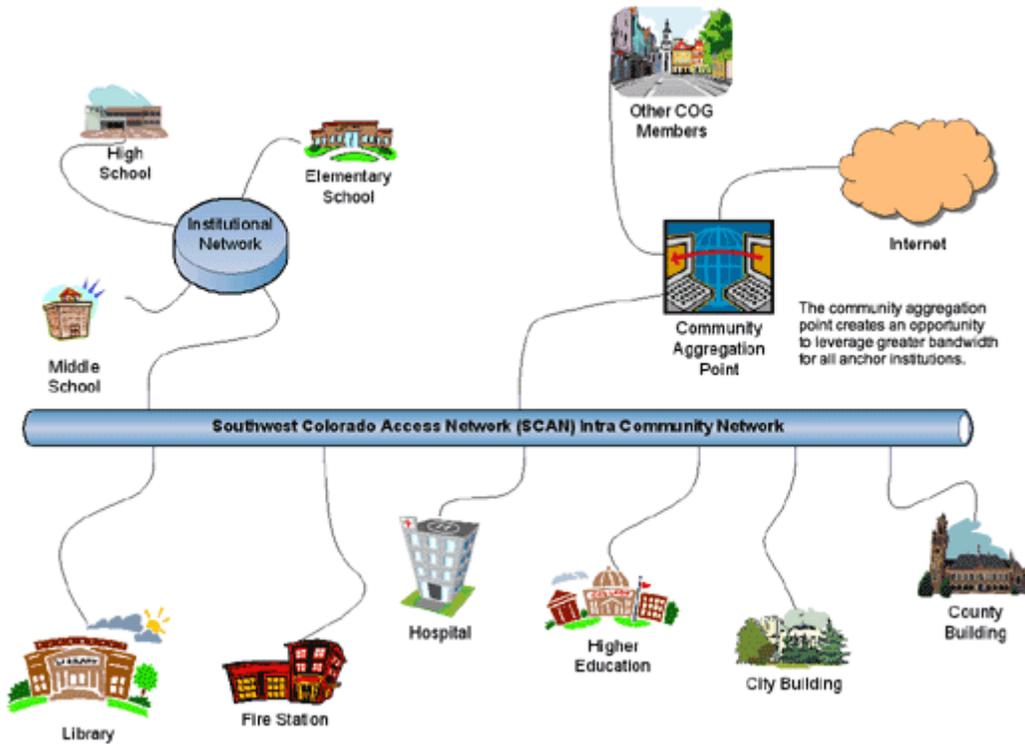
- Extend education opportunities from K-12 to Doctorate degrees to citizens throughout southwest Colorado
- Enable and create government efficiencies
- Enhance economic development and increase access for those telecommuting
- Offer better and more efficient access to digital resources around the world.

The Southwest Colorado Access Network (SCAN) has built and is contemplating expansion of a state of the art private telecommunications network to provide secure connections between governmental offices, educational institutions, law enforcement, libraries, fire departments and medical facilities.

B. Description of Regional Network Infrastructure

The regional network provides connectivity for COG members ranging from Pagosa Springs on the east, to Dove Creek on the west. The regional network includes two hub locations in the cities

of Cortez and Durango. The two regional hubs will be connected via a 10G backbone. Each community has an intra-community network to aggregate services at a common point (see figure below). 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.



C. Community Maps

Maps of the fiber infrastructure within each community can be provided upon request. If your company would like to receive a copy of the maps, please send an email of your request to info@swccog.org. PDF files of the maps will be emailed. The existing fiber optic infrastructure may be leased by potential service provider partners to provide Last Mile Internet Services.

Each community varies in its needs and capability. Some are rather advanced; others are just getting started with broadband. Inter- and intra-community SCAN network segments are construction executed by the COG members, new construction executed by private carriers in partnership with the COG members, leased services from private carriers, or other deployments. High capacity connectivity at reasonable operational costs is the hallmark of the project.

The regional network currently provides services for local governments and other community anchor institutions. One of the initiative of the broadband planning effort currently underway is

to potentially expand the network to serve more community anchor institutions and provide middle mile connections between the communities. In addition to serving anchor institutions and local government offices, excess capacity in a logically separate open access / open services network will be made available for private service providers to utilize, as within reason of SB05-152.

Various communities own substantial fiber and conduit in addition to the SCAN network facilities. The SWCCOG and/or its member communities and counties may negotiate access to, a lease for or an IRU of its existing assets with successful Bidder(s). The Offeror should outline in the proposal response any consideration for use of the SWCCOG's or the communities' existing fiber and/or conduit with specific information regarding the location and end-points of the existing asset, pricing for access to or a dark lease of the asset, and/or acquisition costs for an IRU of the asset with the number of fiber counts desired.

D. Colorado Senate Bill 05-152 (SB-152)

In 2005 the Colorado Legislature passed Colorado Senate Bill 05-152 (SB-152). This removed local governments' ability to compete with the private sector within the broadband marketplace including high-speed Internet, telecommunication and cable services. In essence, the law prohibits the use of municipal or county funds to be used to improve local broadband infrastructure and service.

Municipalities and local government entities can build out telecommunications infrastructure to other government entities (town hall, county offices, police, fire, ambulance, E-911 centers, etc.) and quasi-government entities (schools, libraries and hospitals). The network may be used by service providers to provide services to end users (homes and businesses) as long as the service provider's use of the network is insubstantial compared to government use. The term "insubstantial" is not defined in the law. Additionally, the law prohibits governments in entering into Public-Private Partnerships that are substantial (again, this term is not further defined) to provide telecommunications and broadband services.

The law also states that communities and counties can opt out of this law with a 50% majority vote from a public election. A simple yes or no referendum to secure voter approval allows a Colorado, town, city, county, etc. to opt out of this law. That stated, most of the communities and counties within the Region have already conducted a SB-152 Opt Out. Below is a table of communities that have passed an Opt Out election for SB-152:

| Colorado SB-152 Opt Out, Municipalities | |
|--|--------------|
| Town of Bayfield | Yes |
| City of Cortez | Yes |
| Town of Dolores | Fall 2016 |
| City of Durango | Yes |
| Town of Ignacio | Yes |
| Town of Mancos | Yes |
| Town of Pagosa Springs | Yes |
| Town of Rico | |
| Town of Silverton | Yes |

| Colorado SB-152 Opt Out, Counties | |
|--|--------------|
| Archuleta County | Yes |
| Dolores County | Fall 2016 |
| La Plata County | Yes |
| San Juan County | Yes |

E. Demographic Information

The following Census data has been compiled using factfinder.census.gov and census.gov/quickfacts for each of the communities and counties.

Insert table of demographic information

Where the information differed between these two websites, the higher numbers were reported. Definitions and sources for the information is provided under Appendix A of this RFI.

SECTION 2: SCOPE OF WORK, POSSIBLE STRUCTURES TO CONSIDER

Interested private and public sector businesses are encouraged to respond to this RFI. Each community and/or county may negotiate separate agreements with one or many respondents. Responses from incumbent service providers, competitive service providers and public cooperatives will be considered. Responses will also be considered from all potential parties interested in offering innovative construction and operation financial models. Responses do NOT need to include offering services to all areas within the Region; however, preferences for responses are to address all communities and counties. We do realize that the technology solution or financial model may differ for various communities and counties. It is also our intention to potentially select one or many providers and their respective solutions.

A. Options for Consideration: The SWCCOG seeks input from potential partners regarding the terms and conditions under which partners would collaborate in offering a high-speed broadband data network to residents and businesses in each of the communities and counties listed. Possible options might include:

1. Responses to design, build, own, operate and finance a high speed Internet network.
2. Responses to jointly finance a high speed Internet network in collaboration with the SWCCOG.
3. Responses to operate and maintain a high speed Internet network on behalf of the SWCCOG. The network would be owned by the SWCCOG. Operations and maintenance activities must be defined by the respondent.
4. Responses to provide high speed Internet services to end users on a network that is owned by the SWCCOG or its member communities/counties and available on an open access basis to multiple service providers. For example, the City of Cortez and Montezuma County have plans to build a Fiber to the Home/Business network with the option to evaluate an open access strategy. Please discuss your product offering and pricing and willingness to provide services on an open access Fiber to the Home/Business network.
5. Responses to provide either dark fiber leases or Indefeasible Rights of Use (IRU) for the SWCCOG to acquire from the Offeror for fiber and/or conduit.
6. Other responses that are not described above.

B. Objectives: There are several objectives central to the SWCCOG's project. Respondents to the RFI should indicate how they can help the SWCCOG meet these objectives:

1. Provide high-speed Internet network connectivity to business and residential customers to all communities/counties based on an architecture that will scale to meet access demands for the next twenty years and allow extension of the network to additional locations.
2. Offer appropriately scaled Internet services (i.e., transfer rates meeting the current and future needs as determined by the customer) to any customer connected to the high-speed Internet network.
3. Provide a highly reliable, scalable and available network.
4. Provide competitive pricing for high speed Internet services to include synchronous gigabit transfer rates.
5. Provide excellent customer service.

The SWCCOG is committed to providing its potential partner(s) with support and facilitation of project(s) in compliance with any applicable laws, and within the framework of any necessary agreement(s). This support may include, but is not necessarily limited to, the following: (i) developing and facilitating grant opportunities; (ii) creating a streamlined permitting process; and (iii) providing access to the SWCCOG-owned and/or community/county fiber optic and/or conduit assets, other community assets such as towers, land, and access to the public rights-of-way.

SECTION 3: PREPARATION AND SUBMITTAL OF PROPOSALS

Anticipated Schedule

| | |
|--|---|
| • Request for Proposal available | June |
| • Non-mandatory Bid Meeting | XXXX 2:00 p.m. MST |
| • Inquiry deadline, no questions after this date | XXXX |
| • Submittal deadline for proposals | July 6 th , by 4:00 p.m. MST |
| • Owner evaluation of proposals | XXXX |

The non-mandatory bid meeting will be held at the SWCCOG’s offices located at XXXXX, CO. Offerors may also participate remotely via GoToMeeting using information provided when the party registers for the event. Interested parties may register for the Bid Meeting by contacting [XXXX](#).

Submission: Each proposal shall include **One (1) hard copy** and **one (1) electronic copy on USB Flash Drive or CD**, placed in a sealed envelope and marked clearly on the outside **“SWCCOG Broadband Public Private Partnership”**. **The electronic copy shall be an exact reproduction of the original documents provided. All sections shall be combined**

into a SINGLE ELECTRONIC DOCUMENT (pdf format). Offerors are required to indicate their interest in this Project, show their specific experience and address their capability to perform the Scope of. For proper comparison and evaluation, the Owner requests that proposals be formatted **A to J**. Proposals must contain all of the following information to satisfy the requirements of this RFI:

A. Vendor Acknowledgement.

1. Vendor Statement Document:

Please include the filled out document on the following page with the bid.

Vendor Acknowledgement.

I have read and understand the specifications and requirements for this bid and I agree to comply with such specifications and requirements. I further agree that the method of award is acceptable to my company. I also agree to complete PROFESSIONAL SERVICES AGREEMENT with the SWCCOG and provide proof of insurance within 30 days of notice of award. If contract is not completed and signed within 30 days, the SWCCOG reserves the right to cancel and award to the next highest rated firm.

CONTRACTOR NAME: _____

ADDRESS: _____

EMAIL: _____

PHONE: _____

BIDDER'S NAME: _____

SIGNATURE: _____

- B. Cover Letter:** Cover letter shall be provided which explains the Firm's interest in the project. The letter shall contain the name/address/phone number/email of the person who will serve as the firm's principal contact person with Owner's Contract Administrator and shall identify individual(s) who will be authorized to make presentations on behalf of the firm. The statement shall bear the signature of the person having proper authority to make formal commitments on behalf of the firm. By submitting a response to this solicitation the Contractor agrees to all requirements herein.
- C. Qualifications/Experience/Credentials:** Proposers shall provide their qualifications for consideration as a potential partner to the SWCCOG and include prior experience in similar projects. Provide a description of your company's experience in providing high-speed city-wide or county-wide networks. Describe any similar projects where your company entered into a Public Private Partnership with a government agency.
- D. Strategy and Implementation Plan:** Describe the proposed strategy and/or plan for achieving the objectives of this RFI. The narrative should describe which options described in the Scope of Work would be considered under a Public Private Partnership with the SWCCOG. The narrative should address the each of communities and counties.
- E. Network Maps.** Provide a description and maps of your company's existing fiber optic facilities and/or conduit located within the Region. Provide a description of and maps of your company's existing fiber optic facilities and/or conduit within the region and describe how your company's network connects to Internet access points. An electronic .kmz file is preferred. Maps and other proprietary information presented in the proposal can be marked as "Proprietary and Confidential" and will not be available to the public.
- F. General Plan.** Provide a general plan for building out a high-speed network in the communities/counties within the Region. Provide a general plan for building out a high-speed network in the entire Region with detailed information regarding the technology, capacity and capabilities.
- G. Detailed Description of the Structure of the Proposed Partnership.** Provide a description of how your company can help meet the SWCCOG's objectives listed above. Describe which options your company would be able to provide, how and under what conditions, with a description of the pricing model, potential revenue share, capital costs, terms and considerations. Provide a detailed description of how

your company would enter into a Public Private Partnership with the SWCCOG and what would be required from the City. Several options may be submitted. Please provide as much information as possible of the structure of the proposed partnership. Please do not provide a proposal that states interest, but no details.

- H. Services and Pricing.** Provide a detailed description of the services that will be provided with bandwidth speeds described and monthly access pricing for residential and business customers. Provide information regarding installation costs per residential and business customer.
- I. References:** A minimum of three (3) **references** with their names, addresses, email and telephone numbers that can attest to your experience in projects of similar scope and size.
- J. Additional Data (optional):** Provide any additional information that will aid in evaluation of your qualifications with respect to this project.

SECTION 4: EVALUATION CRITERIA AND FACTORS

Evaluation: An evaluation team shall review all responses and select the proposal or proposals that best demonstrate the capability in all aspects to perform the scope of services and possess the integrity and reliability that will ensure good faith performance.

Intent: Only respondents who meet the qualification criteria will be considered. Therefore, it is imperative that the submitted proposal clearly indicate the firm's ability to provide the services described herein.

Submittal evaluations will be done in accordance with the criteria and procedure defined herein. The Owner reserves the right to reject any and all proposals. The following parameters will be used to evaluate the submittals (in no particular order of priority):

- Understanding of the project and the objectives
- Experience
- Necessary resources
- Strategy & Implementation Plan
- Proposed Structure of Partnership
- References
- Services and Pricing

Oral Interviews: The Owner may invite the most qualified rated proposers to participate in oral interviews.

Award: Firms shall be ranked or disqualified based on the criteria listed. The Owner reserves the right to consider all of the information submitted and/or oral presentations, if required, in selecting the project Contractor(s).

SECTION 5: DEFINITIONS

TERMS: The following terms will apply to this RFI and to any subsequent contract. Submission of a proposal in response to this RFI indicates acceptance of all the following terms:

1. "Contract" means the written agreement resulting from this RFI executed by the Southwest Colorado Council of Governments and the Contractor;
2. "Contractor" or "Provider" means the successful Applicant to this RFI who enters into a written Contract with the Southwest Colorado Council of Governments;
3. "SWCCOG" means the Southwest Colorado Council of Governments;
4. "Region" means the participating jurisdictions of Archuleta County, Town of Bayfield, City of Cortez, Dolores County, Town of Dolores, City of Durango, La Plata County, Town of Ignacio, Town of Mancos, Town of Rico, Ute Mountain Ute tribal lands, Town of Pagosa Springs, San Juan County, and Town of Silverton Colorado, and other public institutions; businesses, and residents within the above jurisdictions.
5. "Firm", "Proposer", "Vendor", or "Bidder" means an individual or a company that submits, or intends to submit, a proposal in response to this "RFI".
6. "Offeror" refers to the person or persons legally authorized by the Consultant to make an offer and/or submit a bid (fee) proposal in response to the Owner's RFI.
7. The term "Work" includes all labor necessary to produce the requirements by the Contract Documents, and all materials and equipment incorporated or to be incorporated in such construction.
8. "Owner" is the SWCCOG, Colorado and is referred to throughout the Contract Documents. The term Owner means the Owner or his authorized representative. The Owner shall, at all times, have access to the work wherever it is in preparation and progress. The Contractor shall provide facilities for such access. The Owner will make

periodic visits to the site to familiarize himself generally with the progress and quality of work and to determine, in general, if the work is proceeding in accordance with the contract documents. The Owner will not be responsible for the acts or omissions of the Contractor, and sub-Contractor, or any of their agents or employees, or any other persons performing any of the work.

9. "Contractor" is the person or organization identified as such in the Agreement and is referred to throughout the Contract Documents. The term Contractor means the Contractor or his authorized representative. The Contractor shall carefully study and compare the General Contract Conditions of the Contract, Specification and Drawings, Scope of Work, Addenda and Modifications and shall at once report to the Owner any error, inconsistency or omission he may discover. Contractor shall not be liable to the Owner for any damage resulting from such errors, inconsistencies or omissions. The Contractor shall not commence work without clarifying Drawings, Specifications, or Interpretations.
10. "Sub-Contractor" is a person or organization who has a direct contract with the Contractor to perform any of the work at the site. The term sub-contractor is referred to throughout the contract documents and means a sub-contractor or his authorized representative.
11. "High speed Internet" is a dynamic term that generally describes Internet access to the business or residence that is reliable, capable of meeting current needs and scalable to meet future needs. The "gold" standard for high speed Internet is currently measured as capable of synchronous gigabit data transfer speeds.

SECTION 6: REQUIREMENTS

Altering Proposals: Any alterations made prior to opening date and time must be initialed by the signer of the proposal, guaranteeing authenticity. Proposals cannot be altered or amended after submission deadline.

Withdrawal of Proposal: A proposal must be firm and valid for award and may not be withdrawn or canceled by the Offeror prior to the sixty-first (61st) day following the submittal deadline date and only prior to award. The Offeror so agrees upon submittal of their proposal. After award this statement is not applicable.

Acceptance of Proposal Content: The contents of the proposal of the successful Offeror shall become contractual obligations if acquisition action ensues. Failure of the successful Offeror to accept these obligations in a contract shall result in cancellation of the award and such vendor shall be removed from future solicitations.

Exclusion: No oral or faxed proposals shall be considered.

Addenda: All Questions shall be submitted in writing to the appropriate person as shown in Section 3. Any interpretations, corrections and changes to this RFI or extensions to the opening/receipt date shall be made by a written Addendum to the RFI. Sole authority to authorize addenda shall be vested in the Owner. Addenda will be issued electronically through the SWCCOG website at www.swccog.org by selecting the Jobs link, and Bidnet at www.rockymountainbidsystem.com. Offerors shall acknowledge receipt of all addenda in their proposal.

Exceptions and Substitutions: All proposals meeting the intent of this RFI shall be considered for award. Offerors taking exception to the specifications shall do so at their own risk. The Owner reserves the right to accept or reject any or all substitutions or alternatives. When offering substitutions and/or alternatives, Offeror must state these exceptions in the section pertaining to that area. Exception/substitution, if accepted, must meet or exceed the stated intent and/or specifications. The absence of such a list shall indicate that the Offeror has not taken exceptions, and if awarded a contract, shall hold the Offeror responsible to perform in strict accordance with the specifications or scope of work contained herein.

Confidential Material: All materials submitted in response to this RFI shall ultimately become public record and shall be subject to inspection after contract award. **“Proprietary or Confidential Information”** is defined as any information that is not generally known to competitors and which provides a competitive advantage. Unrestricted disclosure of proprietary information places it in the public domain. Only submittal information clearly identified with the words **“Confidential Disclosure”** and placed in a separate envelope shall establish a confidential, proprietary relationship. Any material to be treated as confidential or proprietary in nature must include a justification for the request. The request shall be reviewed and either approved or denied by the Owner. If denied, the proposer shall have the opportunity to withdraw its entire proposal, or to remove the confidential or proprietary restrictions. Neither cost nor pricing information nor the total proposal shall be considered confidential or proprietary.

Response Material Ownership: All proposals become the property of the Owner upon receipt and shall only be returned to the proposer at the Owner’s option. Selection or rejection of the proposal shall not affect this right. The Owner shall have the right to use all ideas or adaptations of the ideas contained in any proposal received in response to this RFI, subject to limitations outlined in this section under **“Confidential Material”**. Disqualification of a proposal does not eliminate this right.

Minimal Standards for Responsible Prospective Offerors: A prospective Offeror must affirmably demonstrate their responsibility. A prospective Offeror must meet the following requirements:

- Have adequate financial resources, or the ability to obtain such resources as required.
- Be able to comply with the required or proposed completion schedule.
- Have a satisfactory record of performance.
- Have a satisfactory record of integrity and ethics.
- Be otherwise qualified and eligible to receive an award and enter into a contract with the Owner.

Open Records: Proposals shall be received and publicly acknowledged at the location, date, and time stated herein. Offerors, their representatives and interested persons may be present. Proposals shall be received and acknowledged only so as to avoid disclosure of process. However, all proposals shall be open for public inspection after the contract is awarded. Trade secrets and confidential information contained in the proposal so identified by offer as such shall be treated as confidential by the Owner to the extent allowable in the Open Records Act.

Sales Tax: SWCCOG is, by statute, exempt from the State Sales Tax and Federal Excise Tax; therefore, all fees shall not include taxes.

Public Disclosure Record: If the bidder has knowledge of their employee(s) or sub-Bidders having an immediate family relationship with an Owner employee or Board Member, the bidder must provide the Purchasing Representative with the name(s) of these individuals. These individuals are required to file an acceptable "Public Disclosure Record", a statement of financial interest, before conducting business with the Owner.

SECTION 7: INSURANCE REQUIREMENTS

Insurance Requirements: The selected Firm agrees to procure and maintain, at its own cost, policy(s) of insurance sufficient to insure against all liability, claims, demands, and other obligations assumed by the Firm pursuant to this Section. Such insurance shall be in addition to any other insurance requirements imposed by this Contract or by law. The Firm shall not be relieved of any liability, claims, demands, or other obligations assumed pursuant to this Section by reason of its failure to procure or maintain insurance in sufficient amounts, durations, or types.

Firm shall procure and maintain and, if applicable, shall cause any Subcontractor of the Firm to procure and maintain insurance coverage listed below. Such coverage shall be procured and maintained with forms and insurers acceptable to The Owner. All coverage shall be continuously maintained to cover all liability, claims, demands, and other obligations assumed by the Firm pursuant to this Section. In the case of any claims-made policy, the necessary retroactive dates

and extended reporting periods shall be procured to maintain such continuous coverage. Minimum coverage limits shall be as indicated below unless specified otherwise in the Special Conditions:

(a) Worker Compensation insurance to cover obligations imposed by applicable laws for any employee engaged in the performance of work under this Contract, and Employers' Liability insurance with minimum limits of:

ONE MILLION DOLLARS (\$1,000,000) each accident,
ONE MILLION DOLLARS (\$1,000,000) disease - policy limit, and
ONE MILLION DOLLARS (\$1,000,000) disease - each employee

(b) General Liability insurance with minimum combined single limits of:

ONE MILLION DOLLARS (\$1,000,000) each occurrence and
ONE MILLION DOLLARS (\$1,000,000) per job aggregate.

The policy shall be applicable to all premises, products and completed operations. The policy shall include coverage for bodily injury, broad form property damage (including completed operations), personal injury (including coverage for contractual and employee acts), blanket contractual, products, and completed operations. The policy shall include coverage for explosion, collapse, and underground (XCU) hazards. The policy shall contain a severability of interests provision.

(c) Comprehensive Automobile Liability insurance with minimum combined single limits for bodily injury and property damage of not less than:

ONE MILLION DOLLARS (\$1,000,000) each occurrence and
ONE MILLION DOLLARS (\$1,000,000) aggregate

This policy shall provide coverage to protect the contractor against liability incurred as a result of the professional services performed as a result of responding to this Solicitation.

With respect to each of Consultant's owned, hired, or non-owned vehicles assigned to be used in performance of the Work. The policy shall contain a severability of interests provision.

Additional Insured Endorsement: The policies required by paragraphs (b), and (c) above shall be endorsed to include the Owner and the Owner's officers and employees as additional insureds. Every policy required above shall be primary insurance, and any insurance carried by the Owner, its officers, or its employees, or carried by or provided through any insurance pool of the Owner,

shall be excess and not contributory insurance to that provided by Consultant. The Consultant shall be solely responsible for any deductible losses under any policy required above.

Appendix A

Business Definition: US Census Factfinder 2012

<http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>

A firm is a business organization or entity consisting of one domestic establishment (location) or more under common ownership or control. All establishments of subsidiary firms are included as part of the owning or controlling firm. For the economic census, the terms "firm" and "company" are synonymous.

Source: U.S. Bureau of the Census, 2012 Economic Census: Survey of Business Owners. Updated every 5 years. <https://www.census.gov/econ/sbo> The Survey of Business Owners (SBO) provides the only comprehensive, regularly collected source of information on selected economic and demographic characteristics for businesses and business owners by gender, ethnicity, race, and veteran status. Title 13 of the United States Code authorizes this survey and provides for mandatory responses.

Coverage:

Included are all nonfarm businesses filing Internal Revenue Service tax forms as individual proprietorships, partnerships, or any type of corporation, and with receipts of \$1,000 or more. The SBO covers both firms with paid employees and firms with no paid employees. The SBO is conducted on a company or firm basis rather than an establishment basis. A company or firm is a business consisting of one or more domestic establishments that the reporting firm specified under its ownership or control.

Employer Establishments, Data Provided by Colorado State Demographers Office

Definition: Total Employer Establishments

See <https://www.census.gov/econ/cbp/definitions.htm>

An establishment is a single physical location at which business is conducted or where services or industrial operations are performed. It is not necessarily identical with a company or enterprise, which may consist of one establishment or more. When two or more activities are conducted at a single location under a single ownership, all activities are generally grouped together as a single establishment and classified on the basis of its major activity.

Establishments with paid employees include all locations with paid employees any time during the year. (A separate data item, Nonemployer establishments, provides the number of establishments without paid employees, (mostly self-employed individuals.)

Establishment counts represent the number of locations with paid employees any time during the year. This series excludes government establishments except for wholesale liquor establishments (NAICS 4248), retail liquor stores (NAICS 44531), Book publishers (NAICS 511130), Federally-chartered savings institutions (NAICS 522120), Federally-chartered credit unions (NAICS 522130), and hospitals (NAICS 622).

Non-employer business Definition, census.gov

A non-employer business is one that has no paid employees, has annual business receipts of \$1,000 or more (\$1 or more in the construction industries), and is subject to federal income taxes. Non-employer businesses are generally small, such as real estate agents and independent contractors. Non-employers constitute nearly three-quarters of all businesses, but they contribute less than four percent of overall sales and receipts data. Non-employers are not included in the counts of establishments from the Economic Census or County Business Patterns.

Generally, an establishment is a single physical location at which business is conducted or services or industrial operations are performed. However, for non-employers, each distinct business income tax return filed by a non-employer business is counted as an establishment. Non-employer businesses may operate from a home address or a separate physical location. A business is assigned to a county location based on the business owner's mailing address, which may not be the same as the physical location of the business.

Decision Items

SWCCOG-4CORE Report

To: SWCCOG Board of Directors
From: Miriam Gillow-Wiles
Date: 3 June 2016

Comments: At the May 2016 Board Meeting, Dick White and Mark Garcia volunteered to help staff work through the questions brought up during the 4CORE discussion. Dick, Mark, Sara, Jessica and I met with both 4CORE staff members and two 4CORE Board members. Through that meeting and several other subsequent meetings between SWCCOG and 4CORE staff we worked through the questions, created and overview of the 4CORE finances. 4CORE has asked that the SWCCOG Board make a decision to move forward or not, as they need to start the budget preparation for 2017.

Attached:

- Question and Answers from the COG Board Retreat and the COG Auditors
- Overview of 4CORE work, including outside of La Plata County
- Overview of 4CORE Finances (please note, there is quite a lot of detail that we can present, but could be complicated without explanation)

Pros:

- Increased regional efficiency
- Expand 4CORE work back outside of LPEA territory
- Reduce overhead for SWCCOG
- Access to 501c3 status for additional funding opportunities
- Develop "environment" or "sustainability" department at SWCCOG

Cons:

- Integrating an existing organization and staff will be challenging and take staff resources
- Concern for sustainable revenue stream
- Reconciliation between Durango and La Plata funding for 4CORE and SWCCOG
- Another Advisory Council for SWCCOG staff to manage
- Overall low value of assets

Staff Recommendation

Staff recommend the Board move forward with a decision for 4CORE. Staff does not have a recommendation on which direction to choose as are many pros and cons.

4CORE Integration

1. Why is 4CORE seeking to merge its operations with SWCCOG?

4CORE: Increase capacity, reduce duplication of effort, collaboration with respect to grant funding, allow organization to seek funding specific to programs as opposed to administrative/overhead

COG: Regionalism, staffing issues, potential solvency issues.

SWCCOG Auditor: It seems like there may be synergistic reasons for SWCCOG to absorb 4CORE's operations. It appears that the organizations both serve the same counties. I would assume that the participating governments would most likely support the mission and direction of 4CORE and the potential affect that 4CORE's programs would have on their communities.

2. Would the transaction simply involve combining 4CORE's balance sheet and operations with SWCCOG? This question was asked by the SWCCOG Auditor.

4CORE: As we discuss further, it seems most likely that there is an initial Phase 1 with the Financial administration and a more complete integration to follow.

COG: Initially, this would be a contract for Administration and Bookkeeping for likely one year. If that is successful this would involve a wholesale incorporation of 4CORE into the SWCCOG, with existing 4CORE employees becoming COG employees with all the benefits and requirements.

3. 4CORE is a non-profit organization, SWCCOG is an association of local government. How will this work?

4CORE: We would remain a 501(c)3 with our advisory board. Legal issues, a determination of fees, policies and procedures would have to be resolved with legal consultation and joint strategic planning.

COG: Many COGs have a 501c3 classification as part of the whole organization. Further exploration will need to happen with respect to legal and financial issues, for example, each organization has a number of policies that would need to be combined and/or selected between.

SWCCOG Auditor: I would consult with your attorney on the legal ramifications of combining their operations with yours just to be sure there are no legal downsides.

4. What does 4CORE's balance sheet and prior audits look like?

4CORE: Please see attached documents.

SWCCOG Auditor: The items on the balance sheet seem straightforward. 4CORE has some cash, receivables, payables and some unrestricted net assets. SWCCOG may feel comfortable absorbing their operations without an audit of the Organization. On the other hand, maybe SWCCOG would like to have 4CORE audited before it absorbs the

organization just to have some assurance on the financial side. If you decide to receive them without an audit, I would get some kind of enforceable assurance from their board members that there not any unrecorded obligations for which SWCCOG may become liable going forward.

5. How is 4CORE primarily funded?

4CORE: Grant funded by city and county governments, EPA, business sponsorships, utilities, philanthropic organizations

SWCCOG Auditor. In the notes to the Organization's financial statements, they indicate that the organization has been primarily funded by government grants in the past and that they are looking to increase support from local governments and utilities. What funding guarantees are in place with the local governments and utilities? Before taking on the Organization, I would want to understand whether the Organizations has a consistent and reliable revenue source on which it can continue to operate.

6. I am not very familiar with the availability of government grants related to energy efficiency, conservation and renewable energy. Before taking on the organization, I would want to understand how the organization applies for this opportunities and what the potential is for securing this type of funding from year to year. How many grant applications does the organization do each year and what is the success rate? Does 4CORE or SWCCOG have a grant writer that can continue to apply for and successfully obtain grant funding? From the SWCCOG Auditor

4CORE: The number of grants vary as with any nonprofit and are dependent on the number programs developed and in need of funding. Laurie Dickson, the Program Director was hired as of 3/1/16 because of her nonprofit Executive Management, Sustainable Community Development and grant-writing and experience. We currently have six funding requests in process.

7. It looks like 4CORE does some fundraising activities. Would they bring individuals that could continue these activities or would SWCCOG need to begin doing fundraising? Is SWCCOG prepare do fundraising?

4CORE: 4CORE does a limited amount of fundraising and expects to continue to do so. Our next fundraising event is scheduled for October. We are continuing the Solar Home Tour event based on the previous year's success. That has been the primary fundraising event. SWCCOG would not need to participate in fundraising.

COG: SWCCOG does not currently have the staffing capacity to increase fundraising activities outside of existing SWCCOG fundraising. Fundraising will be necessary for 4CORE staff to continue as 4CORE transitions to being a program under the SWCCOG.

8. It seems that 4CORE was operating at its peak on Weatherization grants received through the American Recovery and Reinvestment Act funds that have ended. The Organization needs a consistent and reliable revenue source to continue its mission going forward. What is the strategic plan around this?

4CORE: Each year, 4CORE and our board create a strategic plan. We are currently working with the strategic plan from July of 2015, created with the guidance of the

consultant, Will Neder. We will work with Will Neder again this year during our board retreat to follow up with the strategic plan, which may change based on decisions of the SWCCOG and 4CORE boards. Like many nonprofits, as the funding stream shifted with the conclusion of the Weatherization grant, we have redirected resources and development of programs. Our ReFuel grant has been renewed from June 2016-17. We continue to source new grant opportunities through the DOE, EPA, USDA, utilities, governments and individual philanthropic organizations. There are few nonprofits that have a continual, and ongoing funding stream. It is always a moving picture that involves creativity and persistent research about new funding sources. Many grant-funding organizations have term limits of one or two years for applying. In the past, LPEA, the City and County have included 4CORE in their budget, but with the current conversations about coming under the COG, they are not going forward with a budget line for 4CORE because they see it as a duplication of funding.

COG: The Board has made it very clear that there will be no increase in dues if/when 4CORE becomes a department of the SWCCOG. Miriam thought a fee for service for the communities that wanted to participate would. There would be 10% for M&A, and the rest would be applied for specific programs in the participating communities. 4CORE needs to work with all three electric co-ops to stabilize funding. Pursuing further weatherization grants for regional work would help create value for the COG members as well. Continued funding needs to be addressed as part of the SWCCOG-4CORE strategic planning process.

9. 4CORE is La Plata County centric; being under the COG and serving the entire region, what will this do to 4CORE's finances and strategy?

4CORE: Since its conception in 2008, 4CORE has been engaged in numerous successful programs and generated millions in revenue for Archuleta, Montezuma, La Plata, Dolores and San Juan counties. Some programs are city specific, regional or tied to a utilities area of service. Our current Refuel grant covers all the above regions including Telluride. We will continue to explore grants and work with the different cities and counties to ensure our programs serve the region.

COG: The COG Board does not want services provided in Montezuma unincorporated as the county is not a member. As a SWCCOG program, 4CORE will need to serve the entire region, work with the 3 electric co-ops, and present programs that are regional in scope and address SWCCOG member needs.

10. How will 4CORE benefit the entire region?

4CORE: We will continue to provide programs and services that reach the region. An attachment was provided from 4CORE to answer this question.

COG: Developing a coordinated approach to regional resource efficiency will help strengthen the region. However, it is the onus of 4CORE to address this issue for the COG Board.

11. Is a date of 1/1/2017 feasible?

4CORE: Definitely feasible from 4CORE's perspective, but more dependent on the SWCCOG board buy-in and their willingness to move forward with strategic planning.

4CORE will need a commitment by July 8th in order to proceed with our budget and funding requests to county and the City of Durango.

COG: The 1/1/2017 date is feasible if movement happens soon.

12. What will the impact on COG dues with 4CORE being brought under the COG umbrella look like?

4CORE: 4CORE has been operating programs throughout the Region9 District that have been entirely supported through large grants and program support from LPEA, Empire, the towns, cities and counties. Determining if the COG dues would be a COG decision, but 4CORE doesn't anticipate costing the COG more in dues.

COG: The COG members want dues to remain flat. How would Durango and La Plata be impacted with respect to already providing funding to 4CORE? Durango is concerned about their funding being disbursed throughout region, but ok with program specific funding. Possibility of fee-for-service if 4CORE becomes a program of the COG. Expectation for La Plata is reduction in overall cost. Need to demonstrate benefits for COG such as efficiencies.

Can COG and 4CORE staff get this to work? Addition of a Program Director and Program Manager will help 4CORE and SWCCOG with capacity issues, and work on this venture. All staff have agreed that there should be a 3rd party to help with strategic planning. Both are established organizations which should help. Miriam mentioned that she expects this to integrate in as an "efficiency or sustainability department."

How would dues be split? Possibility of setting up contracted services for 4CORE programs with percentage for administration and communities would get the services they want; this would allow the communities to use the programs that are valuable for them.

13. Need a fiscal analysis.

4CORE: Miriam provided a budget analysis in February, but further details would be subject to a joint strategic plan. We have supplied year end financials and audits.

COG: The financial analysis that Miriam did was just the personnel areas of each budget. This was not a comprehensive analysis or was it meant to be anything but an example. Jessica has done a more detailed analysis. Please see attached.

14. What will the efficiencies in admin overhead be?

4CORE: A joint strategic plan will determine efficiencies. There are existing regional models for this kind of partnering such as SUCAP that has 27 independent programs or organizations that operate under their umbrella. The nonprofits, Celebrating Healthy Communities, The Senior Center and Headstart, to name a few, operate as independent organizations under the advisement of the SUCAP board and ED.

COG: Need to do strategic planning to determine the value of efficiencies. Efficiencies could consist of administration, bookkeeping, and more staffing to work on projects such as recycling.

15. Will this cost the COG money?

4CORE: Benefits will most likely outweigh the cost and reduce duplication of efforts and grant potential. More detailed financial analysis has been provided.

COG: This will not increase dues for the SWCCOG Members, the Board has been adamant regarding increasing dues and incorporating 4CORE into the SWCCOG. There could be a fee-for-service program, but that would be for communities that participate in fee-for-service program. There will be costs involve with strategic planning including but not limited to: legal, facilitation, and staff time. The COG has remaining grant funds that can be used for this strategic planning.

16. What additional roles will Miriam as the ED with the 4CORE program added?

4CORE: 4CORE operates as an independent 501(c)(3). We will continue to operate as an independent program and cover the details of managing 4CORE programs, overseeing program budgets, community outreach and serve as the region's hub for resource efficiency. 4CORE projects that Miriam's role would be high-level meetings with 4CORE's Director for check-in, grant potential and high-level administration topics.

COG: Miriam would be the ED of the COG. The COG would manage administrative functions while departments/organizations such as 4CORE would focus independently on programs. This would allow the ED to serve more in an administrative role, rather than programmatic work. The SWCCOG sees this as a department within the COG, not an administrative shell to house 4CORE as a non-profit.

17. What will be the solution to office space issues?

4CORE: 4CORE has an ideal space that offers more square footage and plenty of room to bring the SWCCOG offices here with room for at least five desk/work areas. Conference room may have to continue to be at the Carnegie building, but the West Building (our current ENERGY Star building) is considering developing a conference room available to all tenants. Using SUCAP and the Community Foundation as examples, 4CORE and SWCCOG do not necessarily have to have the same office location, especially during our formative phase. A healthy, energy efficient office with proper ventilation and good indoor air quality are essential to the mission of 4CORE and what 4CORE has contributed to the region in programs and education focused on healthy buildings. It is 4CORE's hope that the COG understands our commitment to green building principles and the positive impact healthy buildings have on employee retention and worker productivity. We would be willing to move to the location that serves both organizations and meets healthy building standards. The current COG offices do not meet those standards.

COG: The current 4CORE offices are open with lots of light, however there is still limited space for 4 more staff members in those offices and no conference space. Staff is not opposed to moving, just that it needs to be a long term move, as moving office space is challenging and disruptive. The SWCCOG has also started discussion with the City about increasing space at the current facility (and increasing rent).

18. What is the COG staff capacity? How many employees would become part of the SWCCOG? Does 4CORE or SWCCOG have the revenue to sustain the employees?

4CORE: Our positions are often driven by our grant programs. Our budget will continue to include the revenue for staff and the allocation for administration in our grants. We have no plans to add an additional employee, but may offer full time work to our current Program Manager who is PT at 20-25hrs/week.

COG: Staff capacity is limited at the administration side of things, capacity in Accounting is more open with the ending of the AAA Bookkeeping contract on June 30th. There are currently two 4CORE employees. SWCCOG expects 4CORE as a program of the COG to sustain funding for these employees and any additional employees.

19. How will 4CORE be oriented to doing business as the COG does?

4CORE: Joint strategic planning discussion that will involve policies, finances and operations will need to occur. 4CORE is concerned that the COG Board would make decisions about our programs and grants that we pursue. As experts in the field of resource efficiency with strong connections to regional leaders and organizations we want to continue as the information hub (as stated in our mission) energy efficient programs, solar installations, water and resource conservation programs, while being able to provide communities and schools with education and outreach to promote sustainable living.

COG: SWCCOG envisions 4CORE as a department of the COG, much like many organizations have a sustainability department, only regionally focused. 4CORE would not do business differently than the COG.

SWCCOG Auditor: I think that 4CORE's operations are a bit different from the SWCCOGs operations and it may take some reorganization within SWCCOG to continue providing the services that SWCCOG provides and add the additional programs that 4CORE would bring. Maybe Miriam already knows how to oversee energy efficiency type items? On the other hand, SWCCOG may want to pass up this opportunity and let 4CORE closes up its operations if it doesn't have viable funding for the future.

20. Will this change the organizational structure of the COG? If so, how?

COG: Yes and no. Yes as it will develop the COG's vertical organizational structure, so not all employees will answer directly to the ED. No, in that the COG will add a department, not fundamentally change the structure of the organization.

21. Will other electric companies, Empire Electric and San Miguel Electric, be involved if 4CORE were a regional organization?

4CORE: We have historic and current funding and involvement with the electric companies. We see that coming under the COG's umbrella would enhance the buy-in from Empire and San Miguel, however the Telluride organization, Eco Action Partners is currently doing some programs with San Miguel Electric.

COG: This is necessary for re-expansion to the rest of the region and to create a stable funding source. Working to make sure Telluride Foundation and Eco Action Partners not serving San Juan County would be necessary.



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The Four Corners Office for Resource Efficiency (4CORE) is a 501(c)(3) non-profit with a mission to serve as the leading resource for the effective and efficient use of energy to promote and sustain vibrant local communities. 4CORE helps Southwest Colorado families and businesses conserve natural resources through education and outreach, as well as provide services and programs to ensure a better quality of life in southwest Colorado.

4CORE was formed in 2008 by a group of concerned citizens who wanted to address climate concerns, resource efficiency and conservation through community engagement. The organization's four focus areas include: Energy Efficiency, Innovative Solutions, Resource Efficiency Education, and acting as an Energy Information Hub. In September of 2009, 4CORE expanded its service territory to include the five counties of Southwest Colorado: La Plata, Montezuma, Dolores, San Juan, and Archuleta. 4CORE continues to use a collaborative approach to align organizations across multiple sectors with the goal of increasing our effect by better utilizing existing community assets.

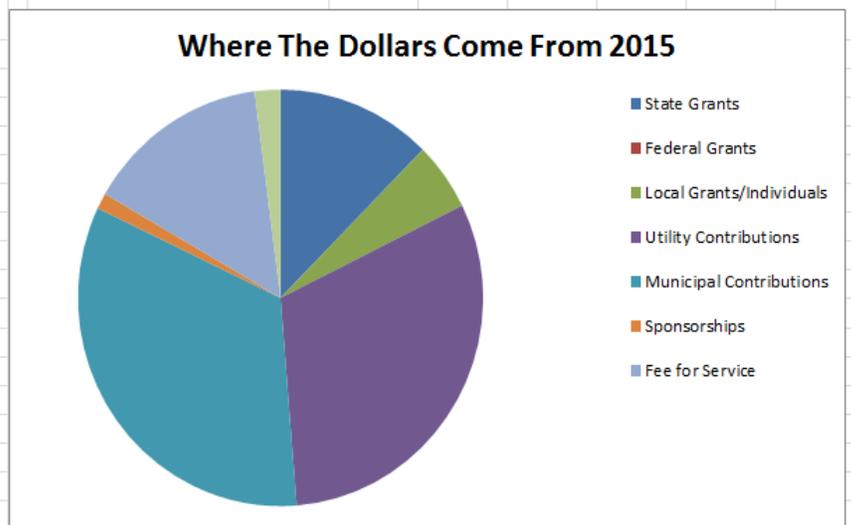
4CORE's programs better the human condition and the environment by conserving energy and water resources, providing economic benefits and opportunities while decreasing the amount of pollution created by fossil fuel energy sources. This has been accomplished through the following programs:

- Low-income Weatherization Assistance Program (WAP), which has weatherized 573 homes in the region to date.
- Community energy planning implementing the Resource Energy Action Plan (REAP) for our region.
- Sustainable Building Education Program with over 2,339 participants to date.
- Resource Smart Business Program provided 30 businesses in La Plata County tools to improve energy efficiency, employee health, and business sustainability.
- Resource Information Hub, helping save over \$593,539 through rebates and reduced utility bills to date.
- Refuel Program providing alternative fuels coaching to regional companies and fleet managers in cooperation with the Colorado Energy Office. 2014-2017

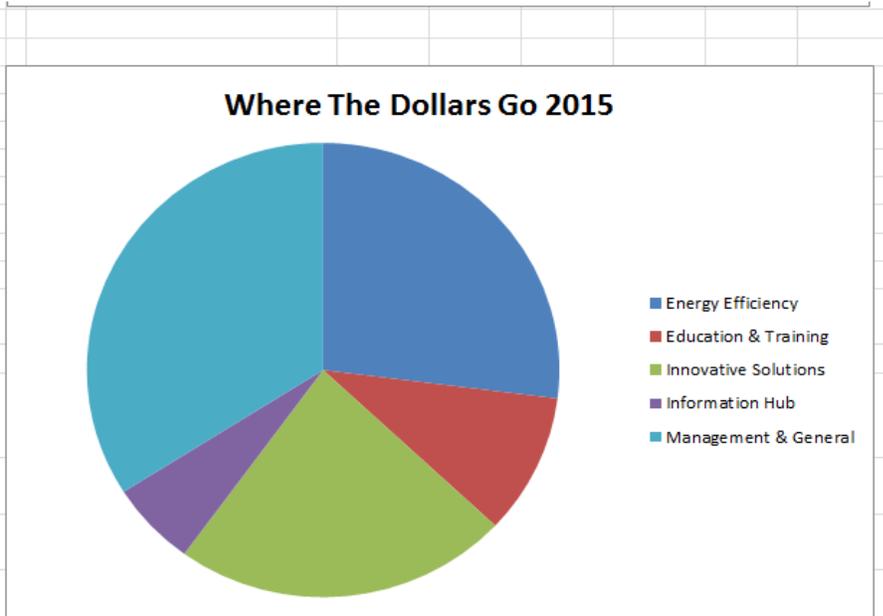
In late 2013 and early 2014, 4CORE facilitated Solarize La Plata, a grassroots program that resulted in 101 new solar arrays throughout La Plata County capable of producing 522 kilowatts (kW) and reducing an estimated 14,175 metric tons of carbon pollution over the next 25 years. The effort garnered commendations from the Department of Energy and other communities around the nation. In 2015 4CORE introduced the Solarize model to Archuleta County with the goal of 30 completed solar installations by August of 2016. With the registration period closed for Solarize Archuleta as of March 31, 2016, there are 145 individual homes registered and receiving the initial solar assessment.

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| % of Total | Where the \$ Comes From (2015) | |
|------------|-----------------------------------|------------|
| 12.4% | State Grants | \$ 19,966 |
| 0.0% | Federal Grants | |
| 5.3% | Local Grants/Individuals | 8,533 |
| 31.0% | Utility Contributions | 50,000 |
| 33.3% | Municipal Contributions | 53,713 |
| 1.2% | Sponsorships | 2,000 |
| 14.6% | Fee for Service | 23,543 |
| 0.0% | Campaigns | |
| 2.1% | Fundraising, Sub-lease & Interest | 3,320 |
| 100% | | \$ 161,076 |



| Where the \$ Goes (2015) | |
|--------------------------|------------|
| Energy Efficiency | \$ 36,859 |
| Education & Training | 13,652 |
| Innovative Solutions | 31,399 |
| Information Hub | 8,191 |
| Management & General | 46,416 |
| | \$ 136,516 |



Regional Programs

In Mancos and Cortez from 2009-present:

Weatherization:

248 Homes benefited from our weatherization program through 4CORE saving thousands in energy costs to residents and businesses in Montezuma. We provided energy assessment of City Hall Building and the historic Wilson Building in Cortez and employed local contractors to implement and support the weatherization programs. We maintained an office in Cortez with one full time employee and four apprentice crew members.

Funding Support:

We have historically received funding support from Empire Electric and the City of Cortez.



Four Corners Office For Resource Efficiency

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Alternative Fuels:

Through our current alternative fuels program, ReFuel, we have provided presentations to Cortez and area fleet managers to discuss the potential for utilizing alternative fuel vehicles for fleet operations. Additionally, 4CORE has provided presentations to Cortez area fleets regarding alternative fuels and infrastructure.

In Pagosa Springs and Archuleta from 2009-present:

Weatherization:

53 Homes benefited from our weatherization program through 4CORE saving thousands in energy costs to residents and businesses in Archuleta.

Solar

Currently we have a program, Solarize Archuleta to provide solar installations with a goal of 30 homes to have complete solar installations by the end of 2016

Alternative Fuels:

Through our current alternative fuels program, ReFuel, we have provided presentations to Pagosa and area fleet managers to discuss the potential for utilizing alternative fuel vehicles for fleet operations. Additionally, 4CORE has provided information to Pagosa Springs with the proposal for an electric vehicle charging station.

Funding Support:

We have historically received funding support from Town of Pagosa Springs.

In Silverton from 2009-present:

Through our Weatherization Program \$54,000 invested to weatherize 11 homes in Silverton. 4CORE provided audit and weatherization for Silverton Town Hall and the Town of Silverton provided funding support.

These figures help to outline the reach that 4CORE has within the region, both from an energy conservation and environmental standpoint as well as our economic impact.

4CORE received \$7,951,144 in funding for these programs in just a five year period supporting local economies during the recession.

The collaborative possibilities and reduction of duplication of programs, makes considering teaming up a smart strategy for the region

Current Programs

Refuel Grant: Continuation of the Colorado Energy Office grant through June of 2017 to provide fleet coaching and training for adopting alternative fuels and infrastructure.

Two Upcoming Alternative Fuels Events

- Telluride and San Miguel County on June 1
- La Plata Fairgrounds Alt Fuel Event June 7 for the region and fleet managers

Solar Barn Raising: EPA Social Justice Grant providing solar to offset utility cost for low-income housing in two locations in La Plata County

Solarize Archuleta: In progress to provide solar installations with a goal of 30 homes to have complete solar installations by the end of 2016

HomeRx: Completing a city-wide home energy audit and rebate program.

2016-2017 Proposals

Education:

1. "Energy Detectives"- Regional 4th and 5th Grades "



Four Corners Office For Resource Efficiency

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Heather Erb □ Mark McKibben □ Mary Beth Miles □ Jack Turner □ Robin Duffy-Wirth

Potential sponsoring partners with LPEA and Empire Electric

School buildings are the third biggest energy user of all commercial building types, accounting for 10% of the energy used by non-residential buildings. The annual energy bill for primary and secondary schools is \$6 billion a year, more than is spent on text books. Teaching children simple ways to save energy in their own classroom with hands-on learning and discovery creates interest and engagement about ways to conserve energy, help the environment and save money. Generating excitement and awareness about energy use and conservation translates into practices that children often continue throughout life. Two specific program proposals already submitted to LPEA for consideration.

2. Resource Efficiency - Water Conservation, Water Collection and Education

There are compelling reasons why creating a robust outreach and education program is essential for water conservation and collection to Colorado residents. Water use and conservation affects energy consumption, water supplies and recreational opportunities in the region. With the Gold Mine spill and the Animas River quality affected, water issues have been in the headlines and continue to be of concern for residents. Partnering with the SW Water Conservation District the education and outreach program will address the latest water conservation concerns and effective ways to create rainwater collection systems.

3. Energy Efficiency- Regional Home Energy Audits for Low-Income and New Home Buyers

This is a new potential partnering with RHA, Regional Housing Authority, and Energy Outreach Partners. Low-income households shoulder the burden of spending a higher percentage of their income on utility bills. The U.S. Housing and Urban Development office (HUD) defines cost burden as the ratio of housing costs to household income. Costs include rent or mortgage payments, utilities, association fees, insurance, and real estate taxes.

4. Energy Efficiency and Community Engagement for City of Durango

SOLSMART Community Designation

SolSmart is funded by the U.S Department of Energy through the Solar Powering America by Recognizing Communities (SPARC) funding opportunity. Over the three-year, federally-funded portion of the program, SolSmart will recognize more than 300 communities that cut red tape around going solar and make it possible for more American homes and businesses to use solar energy to meet their electricity needs. books and computers combined.¹

5. Biofuels Development- Fuels for Schools Model

This program has had success in VT and 4CORE is in the initial stages and conversations developing a grant-funded biomass program in partnership with regional representative from Research Services.

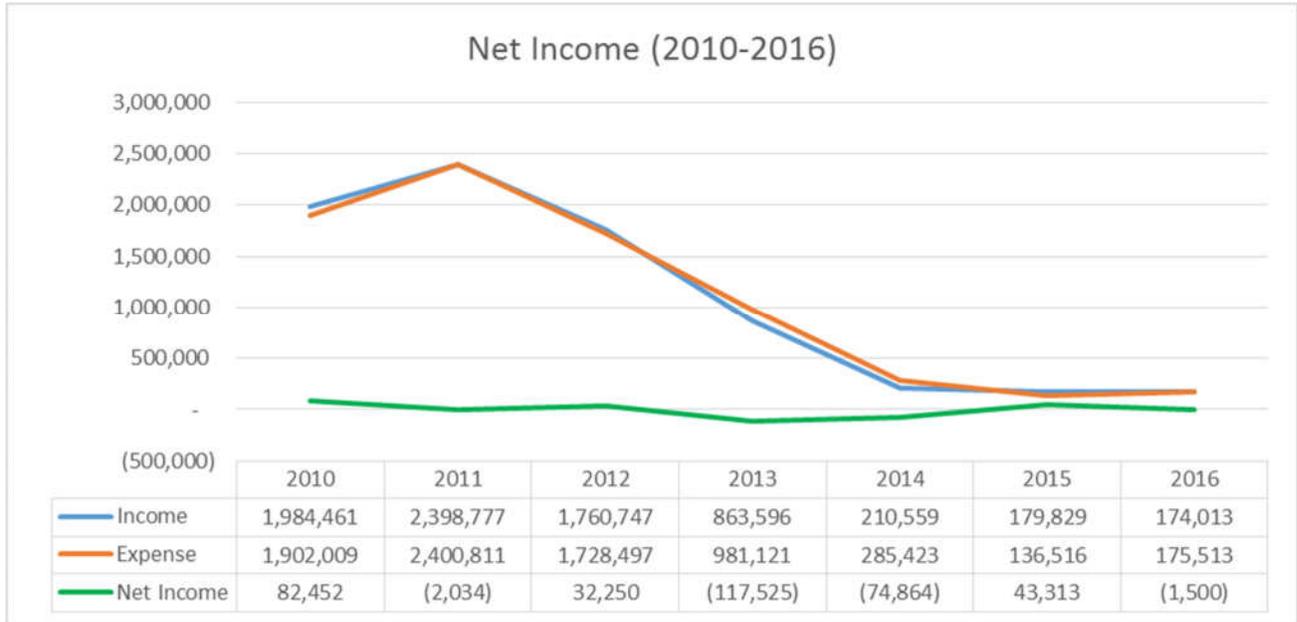
6. Green Building Programs

Promote, educate and serve the region as the green building experts and information hub in cooperation with the USGBC and the Green Building Guild of Colorado.

¹ https://www.energystar.gov/index.cfm?c=kids.kids_index

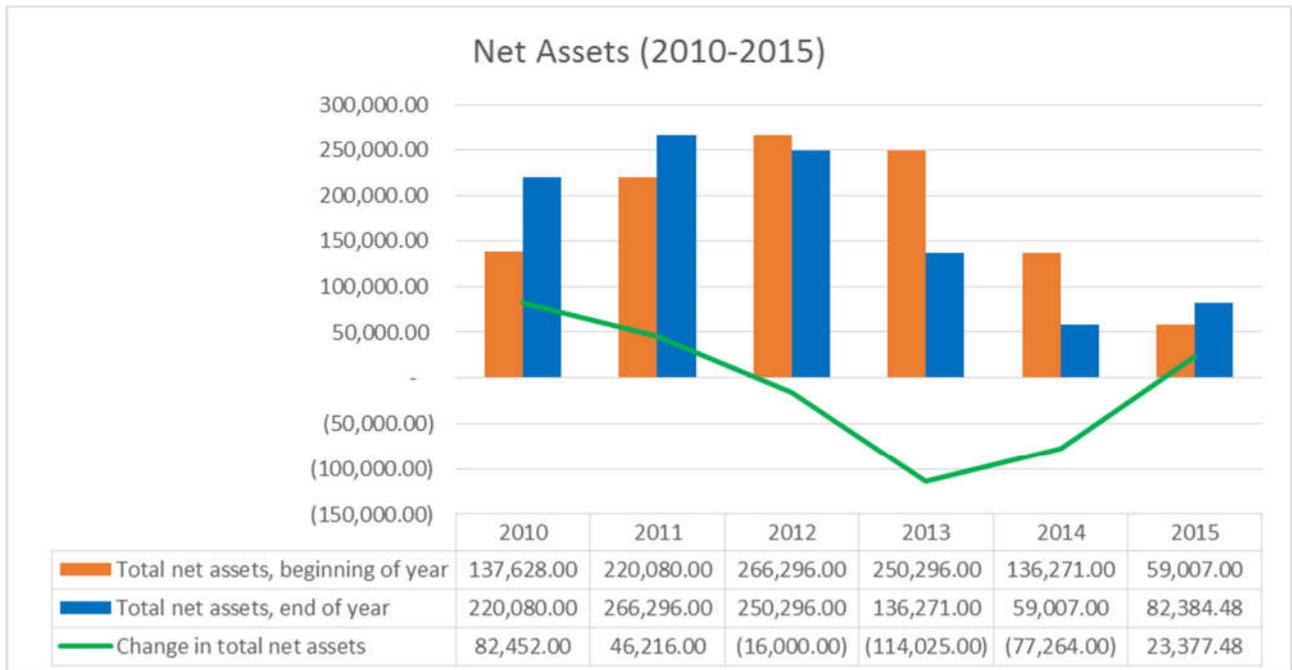
Net Income

Below is a chart showing 4CORE's change in net income from 2010, including the estimated income and expense for 2016 (budgeted).



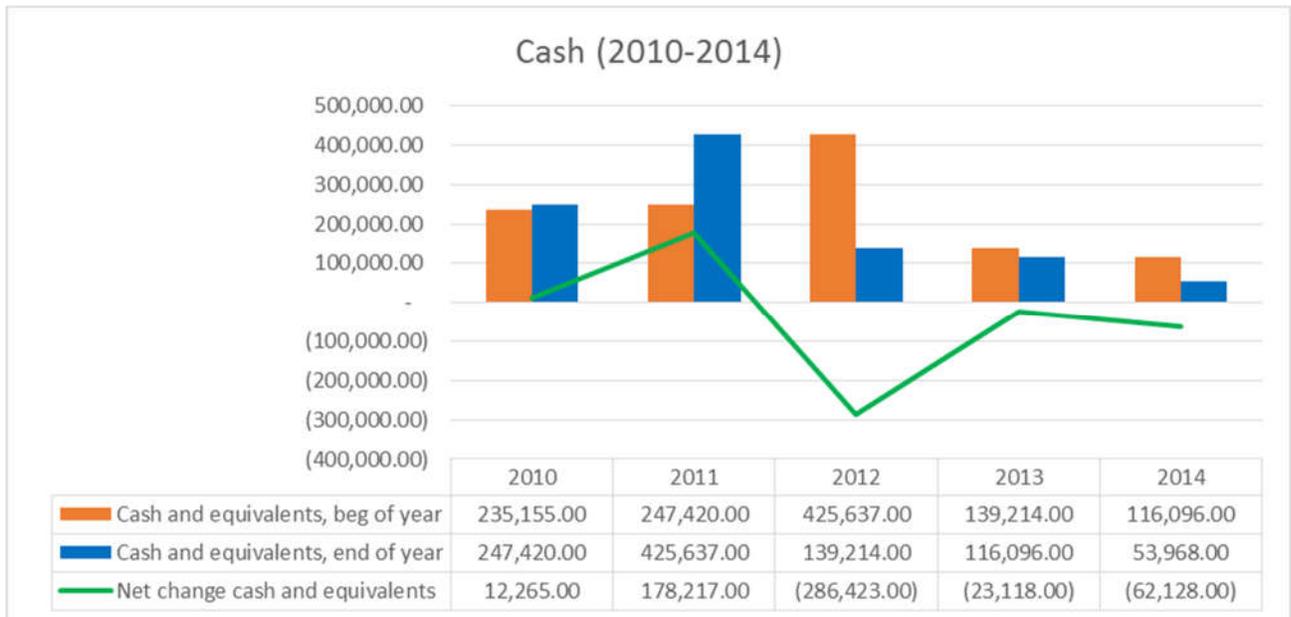
Net Assets

Below is a chart showing 4CORE's change in net assets from 2010-2015. This answers the question: "Did the organization live within its means during the year?"



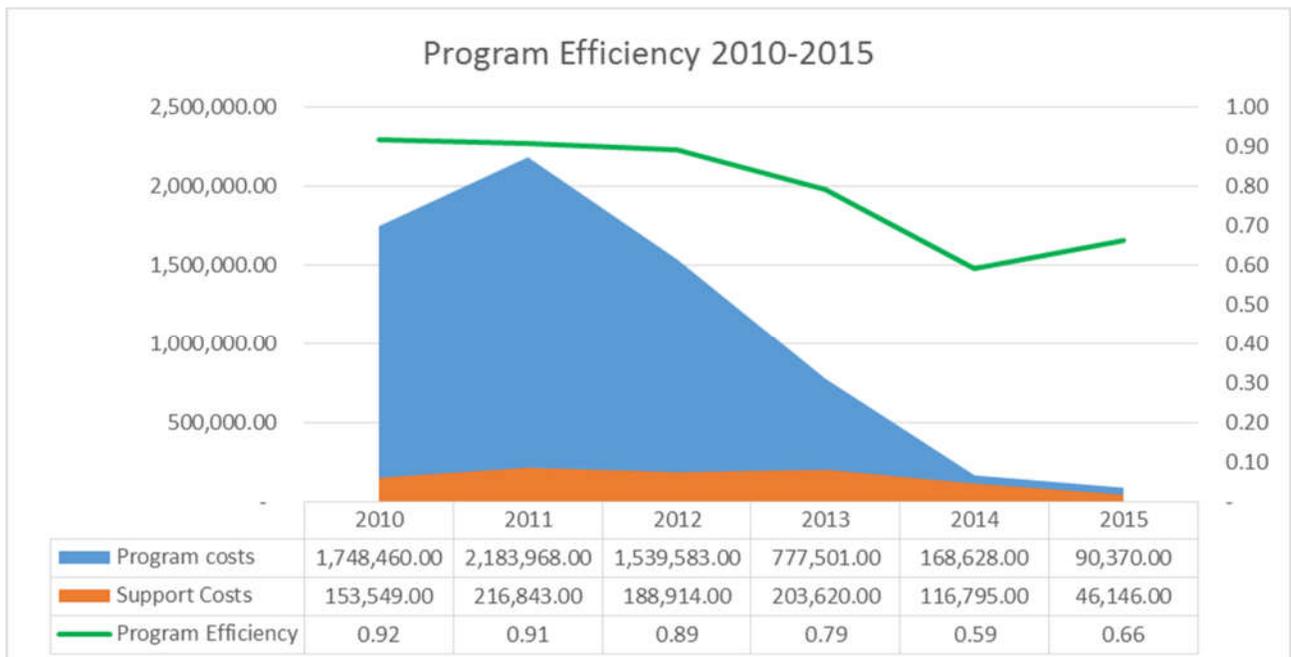
Cash and Cash Equivalents

Below is a chart showing 4CORE's change in cash and cash equivalents from 2010-2014.



Program Efficiency

Below is a chart showing 4CORE's program efficiency for 2010-2015. This compares program expenses to total expenses, and therefore how efficient the organization is in fulfilling its mission. Support costs in this period remained fairly stable, dropping in 2014 then again in 2015, with program costs dropping dramatically after 2011.



Operating Reserve

Current budgeted reserves total \$32,000, which would allow for approximately 66 days (slightly over 2 months) at current operating levels. Including cash on hand estimated for the 2016 budget, these estimates rise to \$81,200 and 169 days (over 5 ½ months).

Personnel Budget Comparison 4CORE Under SWCCOG

Assumption: Full Budget Year, compared starting Jan 1 2016

Executive Director at 25% or 10hrs/week for 4CORE

| | 4CORE Expenses | SWCCOG Expenses | Notes |
|--|-------------------|--------------------|--|
| <i>Executive Director</i> | \$ 17,434 | \$ 52,301 | |
| ED Insurance | \$ 2,182 | \$ 6,547 | H.S.A. and insurance, 4CORE = |
| ED Retirement | \$ 872 | \$ 2,615.05 | 5% of Salary, 4CORE = 25% |
| <i>Program Director</i> | \$ 22,300 | | FT (44% Alt Fuels) |
| PD Insurance | \$ 3,360 | | |
| PD Retirement | \$ 1,400 | | |
| <i>Alt Fuels Program Coordinator</i> | \$ 17,700 | | 4CORE Program Director |
| PC Insurance | \$ 2,640 | | 44% Program Director |
| PC Retirement | \$ 1,100 | | |
| <i>Transportation</i> | | \$ 18,720 | |
| Transport. Insur | | \$ 4,725 | \$18/hour, 20hr/week |
| Transport. Retire | | \$ 878 | |
| <i>Administration</i> | \$ 5,616 | \$ 5,616 | \$18/hr, 12hr/week, 6hrs/week per program |
| Admin Insurance | \$ 1,418 | \$ 1,418 | |
| Admin Retirement | \$ 263 | \$ 263 | |
| <i>Accounting</i> | \$ 14,602 | \$ 43,805 | 10hrs/week |
| Acct Insurance | \$ 3,872 | \$ 11,616 | H.S.A. and insurance, 4CORE = |
| Acct Retirement | \$ 730.08 | \$ 2,190 | COG 75%, 4CORE 25% |
| <i>EPA Program Coordinator</i> | \$ 22,100 | | 25/hrs week, \$17/hr. EPA grant covers a portion of this position. Includes 4CORE marketing, no benes |
| PM Insurance | | | |
| PM Retirement | | | |
| Personnel Costs/Year | \$ 117,588 | \$ 150,694 | |
| Potential Savings for FY 2016 | \$ 9,412 | \$ 36,437 | |

4CORE Program
 Director
 Combined
 Position @
 32hrs/week

Personnel Budget Comparison 4CORE Under SWCCOG

Assumption: Full Budget Year, compared starting Jan 1 2016

Executive Director at 12.5% or 5hrs/week for 4CORE

| | 4CORE Expenses | SWCCOG Expenses | Notes |
|--|-------------------|--------------------|--|
| <i>Executive Director</i> | \$ 8,717 | \$ 61,018 | |
| ED Insurance | \$ 1,091 | \$ 7,638 | H.S.A. and insurance, 4CORE = |
| ED Retirement | \$ 436 | \$ 3,050.91 | 5% of Salary, 4CORE = 25% |
| <i>Program Director</i> | \$ 22,300 | | FT (44% Alt Fuels) |
| PD Insurance | \$ 3,360 | | |
| PD Retirement | \$ 1,400 | | |
| <i>Alt Fuels Program Coordinator</i> | \$ 17,700 | | 4CORE Program Director |
| PC Insurance | \$ 2,640 | | 44% Program Director |
| PC Retirement | \$ 1,100 | | |
| <i>Transportation</i> | | \$ 18,720 | |
| Transport. Insur | | \$ 4,725 | \$18/hour, 20hr/week |
| Transport. Retire | | \$ 878 | |
| <i>Administration</i> | \$ 5,616 | \$ 5,616 | \$18/hr, 12hr/week, 6hrs/week per program |
| Admin Insurance | \$ 1,418 | \$ 1,418 | |
| Admin Retirement | \$ 263 | \$ 263 | |
| <i>Accounting</i> | \$ 14,602 | \$ 43,805 | 10hrs/week |
| Acct Insurance | \$ 3,872 | \$ 11,616 | H.S.A. and insurance, 4CORE = |
| Acct Retirement | \$ 730.08 | \$ 2,190 | COG 75%, 4CORE 25% |
| <i>EPA Program Coordinator</i> | \$ 22,100 | | 25/hrs week, \$17/hr. EPA grant covers a portion of this position. Includes 4CORE marketing, no benes |
| PM Insurance | | | |
| PM Retirement | | | |
| Personnel Costs/Year | \$ 107,344 | \$ 160,938 | |
| Potential Savings for FY 2016 | \$ 19,656 | \$ 26,193 | |

4CORE Program
 Director
 Combined
 Position @
 32hrs/week

Marketing Selection

To: SWCCOG Board of Directors
From: Miriam Gillow-Wiles
Date: 3 June 2016

Comments: The SWCCOG released an RFQ for marketing in April. We have funding to for Transit marketing (helping the local transit agencies with their marketing), the Recycling educational campaign, including website development and printable material development, as well as, a website for the COG members to share trainings and sell/purchase equipment for to one another. The RFQ was sent to a number of different agencies, our economic development partners, and other persons who might have an interest. We received two responses. Both responders are based in the front range. One applicant has done work with a local transit agency, but failed to list required hourly rates. The other has done work with both recycling and transit, but the estimated hours and hourly rate were well over budget. Both are a great distance away and the cost of travel would have eaten into limited budgets for both Transit and Recycling. Staff gave both through review, and could not come to a conclusion about which applicant would fit our needs the best. After speaking with Legal, the best course of action seems to be reject all bids, circle back around to the local agencies to find out why they did not apply, and rebid or sole source – either in the various categories, or as a whole, but with more specifics and details.

Staff Recommendation:

Reject all bids. Staff will then reevaluate and come up with a plan to engage at least one marketing agency.

Quote Received From:

Red HawkCox Creative

| | | |
|--|--|--|
| Scope of Proposal: Does the proposal show an understanding of the project objective, methodology to be used, and results that are desired from the project? | | Includes SWOT analysis, implementation and monitoring of campaigns |
| Assigned Personnel: Do the persons who will be working on the project have the necessary skills? Are sufficient people of the requisite skills assigned to the project? | More than 20 years relevant experience. Business incorporated 2012 | More than 20 years relevant experience. Business incorporated in late 1990s |
| Availability: Can the work be completed in the necessary time? Can the target start and completion dates be met? Are other qualified personnel available to assist in meeting the project schedule if required? Is the project team available to attend meetings as required by the Scope of Work? | | Able to attend required meetings |
| Motivation: Is the contractor interested and are they capable of doing the work in the required time frame? | Interested | Interested |
| Work hours: Do the proposed cost and work hours compare favorably with the Project Manager's estimate? Are the work hours presented reasonable for the effort required in each project task or phase? | | In-person initial meetings, regular Skype meetings Initial meetings/research-40 Hours Develop Scope of Work-40 Hours Implementation of campaigns-500 hours Monitor/Adjust campaigns-50 hours |
| Organizational Capacity: Does the contractor have the support capabilities the assigned personnel require? Has the contractor done previous projects of this type and scope? | Sub-contracts video production and other services as necessary, plans to add employees if needed | Maintains pool of freelancers to work with |
| Cost: | | \$75/hour plus travel expenses |
| Lowest qualified bidder: | | |
| Local business preference: | No | No |
| Attachments: | Letter of support from SUCAP | |

Dark Fiber Leasing

To: SWCCOG Board of Directors
From: Miriam Gillow-Wiles
Date: 3 June 2016

Comments: The Dark Fiber Leasing MOU was initially brought to the Board in January 2015 and then again during the August 2015 Board Meeting. During the January 2015 meeting 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. The August 2015 meeting was quite contentious and moved the Dark Fiber Leasing no farther along. It was decided that we should wait until the Regional Broadband Plan was underway/finished to make a decision about dark fiber leasing. At the May 2016 Retreat, NeoConnect discussed an increased cost from the historic \$60/strand/mile, no less than one mile segments, and changing the revenue share from 75% community and 25% COG. Below is an overview of the history of the Dark Fiber Leasing, a list of attached documents, and staff recommendation. Please note, the per strand/per mile cost is not listed in any of these documents as we will discuss the new pricing at the Board Meeting.

Currently, there are three communities that have at least one ISP interested in leasing out infrastructure. Since the majority of the region has passed 152 Opt Out elections, we are needing to solve this issue once and for all. It has now been two years since the SCAN grant was complete, a year and a half since the first discussion, and now the third review and discussion of this policy/contracts. At this point, we are actively getting in our own way regarding broadband and economic development.

There are only bits and pieces to glean historical information as to the beginnings of the dark fiber revenue sharing split, even though revenue sharing for dark fiber leases has been a discussion for many years. In 2013 the final Resolution and Policy was put forth and passed. These documents both discuss the dark fiber leasing, with the Policy stating the COG would get 5% of the revenues. However, in October of 2013, there was 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", although Staff has been unsuccessful in locating the actual agreement. In light of this, when updating the SCAN Policies in 2014, staff changed the former 5-95 revenue split to match existing operations of the 75-25 split for SCAN installed fiber. Realistically, the 25-75 split is not enough funding for the member jurisdictions expectations of the SCAN management. Anything less than 75% puts the SCAN network in jeopardy and continues the likelihood of increases for COG members. If the revenue share of 75% COG had started in 2016 with 2 strand at one mile each,

Dark Fiber Leasing

the COG would not have had to leverage the fee of \$15,000 for the Fiber Equipment Repair Fund.

The following documents are attached:

- 1) Revenue Share Spreadsheet
 - Previously Discussed 25% COG, 75% Member Revenue Share
 - 75% COG, 25% Member Revenue Share, aligned with SCAN Grant funding
 - 100% COG Revenue, as recommended by NeoConnect
- 2) SCAN Income vs Expenses for 2016
- 3) Dark Fiber Agreement for SWCCOG – Members
 - Initially presented in January 2015, but updated to allow the SWCCOG to become an agent of the member and create dark fiber leases on their behalf
 - COG does billing for members
 - Remits payment to members yearly
 - Allows ISPs to contract with COG directly for SCAN infrastructure
 - Increased strand/mile amounts and minimum lease amounts increase revenue at 75% SWCCOG, 25% Local government
 - Requires SWCCOG to maintain database and maps of member's infrastructure
- 4) Dark Fiber Lease Agreement for SWCCOG – ISPs
 - Contract between the ISPs and the SWCCOG
 - Allow COG to add additional Service Orders on when an ISP wanted to expand to a new community or within a community
 - SWCCOG notify member jurisdiction of new lease
 - Streamlines and simplifies leasing for ISPs

Staff Recommendation:

- Approve both the agreements.
- Set revenue share at either 75% COG – 25% Member, or 100% COG.

Dark Fiber Leasing Revenue Projections

Annual Revenues Based on Updated Pricing

2016 Dark Fiber Leasing: 75% Member, 25% COG

| | <i>Community Annual Revenue</i> | <i>COG Annual Revenue</i> |
|--|---|-------------------------------|
| City of Durango - Current Contracts @ \$60/strand/mile | \$ 15,192.00 | \$ 5,064.00 |
| City of Durango - New Contracts: 2 Strands at 2 miles | \$ 4,410.00 | \$ 1,470.00 |
| City of Cortez - 2 strands at 2 miles | \$ 4,410.00 | \$ 1,470.00 |
| Town of Mancos - 2 Strands at 1 mile | \$ 2,430.00 | \$ 810.00 |
| Town of Ignacio - 2 Strands at 1 mile | \$ 2,430.00 | \$ 810.00 |
| Town of Bayfield - 2 Strands at 1 mile | \$ 2,430.00 | \$ 810.00 |
| Town of Silverton - 2 Strands at 1 mile | \$ 2,430.00 | \$ 810.00 |
| Town of Pagosa Springs - 2 Strands at 1 mile | \$ 2,430.00 | \$ 810.00 |
| La Plata County - 2 Strands at 1 mile | \$ 2,430.00 | \$ 810.00 |
| San Juan County - 2 Strands at 1 mile | \$ 2,430.00 | \$ 810.00 |
| Archuleta County - 2 Strands at 1 mile | \$ 2,430.00 | \$ 810.00 |
| Dolores County - 2 Strands at 1 mile | \$ 2,430.00 | \$ 810.00 |
| | | <u>\$ 15,294.00</u> |

2016 Dark Fiber Leasing: 25% COG, 75% Member

| | <i>Community Annual Revenue</i> | <i>COG Annual Revenue</i> |
|--|---|-------------------------------|
| City of Durango - Current Contracts @ \$60/strand/mile | \$ 5,064.00 | \$ 15,192.00 |
| City of Durango - New Contracts: 2 Strands at 2 miles | \$ 1,470.00 | \$ 4,410.00 |
| City of Cortez - 2 strands at 2 miles | \$ 1,470.00 | \$ 4,410.00 |
| Town of Mancos - 2 Strands at 1 mile | \$ 810.00 | \$ 2,430.00 |
| Town of Ignacio - 2 Strands at 1 mile | \$ 810.00 | \$ 2,430.00 |
| Town of Bayfield - 2 Strands at 1 mile | \$ 810.00 | \$ 2,430.00 |
| Town of Silverton - 2 Strands at 1 mile | \$ 810.00 | \$ 2,430.00 |
| Town of Pagosa Springs - 2 Strands at 1 mile | \$ 810.00 | \$ 2,430.00 |
| La Plata County - 2 Strands at 1 mile | \$ 810.00 | \$ 2,430.00 |
| San Juan County - 2 Strands at 1 mile | \$ 810.00 | \$ 2,430.00 |
| Archuleta County - 2 Strands at 1 mile | \$ 810.00 | \$ 2,430.00 |
| Dolores County - 2 Strands at 1 mile | \$ 810.00 | \$ 2,430.00 |
| | | <u>\$ 45,882.00</u> |

2016 Dark Fiber Leasing: 100% COG

| | <i>Community Annual Revenue</i> | <i>COG Annual Revenue</i> |
|-----------------|---|-------------------------------|
| All Communities | \$ - | <u>\$ 61,176.00</u> |

SCAN Income and Expenses

2016 (Projected)

Income

| Dark Fiber Leasing | |
|--------------------|---------------------|
| Fast Track | \$ 6,396.00 |
| Brainstorm | \$ 3,840.00 |
| Cedar Networks | \$ 6,540.00 |
| Skywerx | \$ 3,480.00 |
| Subtotal | \$ 20,256.00 |

| 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 | \$ 120.00 |
| Subtotal | \$ 8,280.00 |

Income Total \$ 28,536.00

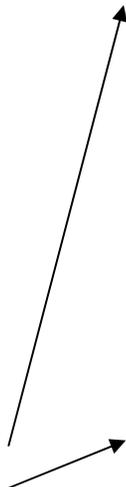
Expenses

| | |
|------------------------------|---------------------|
| Fast Track | \$ 10,800.00 |
| 75% to Community for Leasing | \$ 15,192.00 |
| Miriam's Time | \$ 12,567.50 |
| Sara's Time | \$ 1,443.00 |
| Expense Total | \$ 40,002.50 |

Net Income/Loss \$ (11,466.50)

| <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 |

| <i>Sara's Time (2015)</i> |
|--|
| Average of 3 hrs/month |
| Does not include travel expenses |
| Supports: |
| Dark Fiber Quarterly Invoicing/Deposits |
| Dark Fiber Leasing Tracking/Communication |
| Dark Fiber Payment to Communities |
| Telecom Service Quarterly Invoicing/Deposits |
| Telecom Service Tracking/Communication |



**MEMORANDUM OF AGREEMENT
BETWEEN**

**SOUTHWEST COLORADO COUNCIL OF GOVERNMENTS
AND _____ (A LOCAL GOVERNMENT) AS EXCLUSIVE AGENT FOR ITS LEASING
OF ITS DARK FIBER LINKS ,INVOICING OF PRIVATE PARTIES, COLLECTION OF
PAYMENTS AND DISBURSEMENT OF FUNDS**

THIS AGREEMENT made and entered into this ____ day of _____, 2016, 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, with regard to being the exclusive agent for LOCAL GOVERNMENT with respect to leasing of Dark Fiber Links, 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 received DOLA grant funds to help build its SCAN infrastructure; and

The LOCAL GOVERNMENT wishes to have SWCOGG assist the LOCAL GOVERNMENT in implementing the LOCAL GOVERNMENT’s Dark Fiber Link Lease Agreements (“DFL’s”) by serving as its exclusive agent with respect to leasing SCAN Dark Fiber Links to Internet Service Providers (“ISP’s”), invoicing ISP’s, , collection of payments from ISP’s, and disbursement of a percentage of those funds to the LOCAL GOVERNMENT; and

The LOCAL GOVERNMENT understands that SWCCOG intends to perform these same services for other members with respect to their SCAN assets.

It is desirable to describe in greater detail and to further specify leasing, invoicing, collection of payment, and disbursement of funds procedures between the SWCCOG and the LOCAL GOVERNMENT concerning DFL’s.

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 leasing, invoicing, collection of payment, and disbursement of funds concerning DFL's are agreed to and 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 form that the SWCCOG will use with respect to the Local Government's DFL's that are the subject of this MOU are approved by the parties and attached hereto as Exhibit B. During the term of this MOU and any renewal of this MOU, the LOCAL GOVERNMENT appoints the SWCCOG, acting by and through its Executive Director, as its exclusive agent to enter into, and execute the DFL's on behalf of and binding the Local Government.
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 25% of the gross funds received from the private parties (gross revenues) to the LOCAL GOVERNMENT, and the SWCCOG will retain 75% of the gross funds collected (gross revenues) as its payment for services provided hereunder. Payment by the SWCCOG to the LOCAL GOVERNMENT shall be yearly 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, except as specifically stated herein. The LOCAL GOVERNMENT shall be responsible for all installation, maintenance and operation costs related to its own dark fiber equipment, property, and infrastructure. SWCCOG is not responsible for maintenance of the LOCAL GOVERNMENTS dark fiber or associated equipment nor is it liable for damage of any kind occurring to LOCAL GOVERNMENT property, unless such damage is caused by SWCCOG negligence or intentional misconduct.

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.

16. Authority

Local Government represents to SWCCOG that it has all right and authority to enter into this agreement, and to enter into the attached form of DFL with ISPs, and that its dark fibers links are available for lease (other than those identified above by the Local Government as excluded from lease below).

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 Government shall be responsible for:
 - Installation, maintenance, and operation costs related to its own SCAN equipment and dark fiber.
 - The following dark fiber links are excluded from lease: _____

- The SWCCOG shall be responsible for:
 - Quarterly billing in advance of usage to ISP
 - Yearly remittance to Local Government in arrears
 - Executing and managing DFL's on behalf of Local Government
 - Provide Local Government with copy of executed DFL's.
 - Maintain SCAN infrastructure data, including maps

- Lease rate of Dark Fiber Links shall be \$XXX.00/mile per month, two strand minimum, rounded up to the nearest whole number with respect to miles. This amount may change by mutual agreement of SWCCOG and Local Government.

Local Government agrees to conduct all negotiations for the DFL's only through SWCCOG, and to refer to SWCCOG all communications received in any form from ISP's with respect to prospective leasing, during the term, and any renewal, of this MOU.

EXHIBIT B

“Customer Network” shall refer to the linked communications system created by the installation of the fiber optic cables, other cables, and wired devices owned by the Customer.

“Demarcation Point” shall refer to the point of connection between the connector at the end of the Local Government’s Network and the mating connector of the Customer’s network. If the mating connector of the Customer’s Network is located in a utility pedestal in the public right of way, the Demarcation Point is defined as the dark fiber splice or cross-connect enclosure located in a Local Government manhole.

“Dark Fiber Link” (DFL) is a dedicated fiber(s) creating a communications pathway between two Demarcations via the Local Government’s optical fiber and Network facilities. The following described fibers are dedicated pursuant to the terms of this lease for the benefit of Customer

“Service Order” A SWCCOG document on behalf of the Local Government filled out by the Customer describing the number of Dark Fiber Links desired between identified demarcations.

“Local Government Network” shall refer to the linked communications system created by the installation of the SCAN fiber optic cables, other cables, and wired devices owned by the Local Government.

2. SERVICES

(A) In consideration for the payments to be made by the Customer, pursuant to the terms of each Service Order and this Lease, the Local Government, subject to availability, agrees to provide the Customer use of one or more of the Local Government’s DFL(s) from one location to another, as more specifically described in a Service Order prepared by the Customer. There is a 2 DFL minimum.

(B) The Local Government shall install and maintain all portions of the Local Government’s Network up to the Demarcation Point. The Local Government, through SWCCOG, will use reasonable efforts to give the Customer notice at least ten (10) business days prior to the date of any scheduled, non-emergency work on the Local Government’s Network that may affect the Customer’s DFL.

(C) The Local Government shall contract with a third party vendor for services to extend the requested number of DFL’s to the Customer’s location. The Customer shall install conduit from the Local Government’s pullbox to the Customer’s pullbox and provide the Local Government with ingress and egress to the Customer pullbox and equipment from the public right of way to the Customer’s pullbox. Customer shall also obtain any necessary right-of-way permit(s) from the Local Government for any work in Local Government right-of-way. The Customer shall be responsible for all costs associated with any building modifications, conduit, fiber, pullboxes, equipment, and labor for installation in and outside of the Local Government right of way to extend DFL’s to the Customer’s Network by third party vendor. If requested by the Local Government, the Customer shall provide access to the Local Government or its designate to allow inspection of the Customer’s connection frame and attached equipment, to insure its compatibility with the Local Government Network and to verify usage of Local Government Network resources. The Customer shall obtain all necessary approvals, including right-of-way permits and easements where applicable from property owners which will allow the Local Government to locate, install and maintain its equipment, including emergencies; and to remove its equipment,

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cable and wire in the event of the Customer's default of any of the provisions of this Lease or at the termination of this Lease. The Local Government retains the right to leave in place and continue use of any of its equipment, cable and wire beyond termination, until the Local Government decides to remove part or all of its equipment, cable and wire. Customer will provide as-built plans to the Local Government and with a copy to the SWCCOG in PDF and GIS file formats on any work or changes that are done to the existing system (splices, hand holds, pullboxes, etc.)

(D) Any unscheduled outage affecting the DFL's may require the Local Government to dispatch a third party vendor to perform emergency repairs. The Customer agrees to report outages to any of the Primary Contacts by telephone or email as soon as reasonably possible. The Local Government will use reasonable efforts to have its third party vendor at the site requiring an emergency repair within four (4) hours after the fault is identified and dispatch is deemed necessary. The Local Government will attempt to restore the service no later than six (6) hours after the fault is identified. The Local Government retains the right to charge the Customer for time and materials expended, if the outage is through no fault of the Local Government or is attributable to the Customer.

3. SERVICE LEVEL

(A) Terms and Conditions

1. Dark Fiber Links (DFLs) are single fiber paths from one point to another and have no automatic failover or redundancy. Since DFLs do not include the Local Government provided electronic equipment, these links are not monitored or Network-managed by the Local Government. Therefore, the service level for DFL service is limited to the parameters described below. If the Local Government fails to meet any of the service levels defined in this section, the Customer's sole remedies are to allow the Local Government to use commercially reasonable efforts to address the deficiencies or for the Customer to terminate the Lease in accordance with Section 7(B) and for the SWCCOG on behalf of the Local Government to credit the Customer's account, as appropriate, based on service level guarantee detailed below. The target available time for the DFLs is equal to 99.99% of the time in a calendar year. No other remedies or damages, including, but not limited to, consequential damages, are available to Customer.

2. Interruptions and Service Credits

If the Customer's DFL service is interrupted, other than the defined Exclusions, the Customer will be granted a service credit. This service credit will be the Customer's sole and exclusive remedy in the case of a service interruption and will be calculated as 1/760th of the monthly rate for the affected service for each hour that the interruption continues.

3. Exclusions

The service level credits do not apply for failures (i) occurring during scheduled maintenance or configuration events; (ii) attributable to any application, equipment, system, act or omission of the Customer, the Customer's employees, contractors, agents or end users; (iii) caused by Force Majeure or other causes beyond the reasonable control of the Local Government; (iv) in which testing or repairs are delayed due to insufficient access to equipment in the Customer's premises; or (v) of four (4) hours or less in duration.

3. Notification

In case of a service level failure, the Customer must first make sure the problem is not with the Customer's Network or Equipment., The Customer then should notify the Local Government and SWCCOG through the Primary Contacts in Section 1B. A trouble ticket

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will be issued to verify and address the issue. The Local Government reserves the right to charge reasonable fees for false alarms.

4. Request for Credit

The Customer must submit requests for credit within thirty (30) days after the service failure event. The request must include the Customer's account number, service address, contact information, description and date of the incident, Local Government trouble ticket number, amount of credit requested, and the Customer's calculations. The total of all service level credits shall not exceed the monthly rate for the portion of the Customer's service affected. Mail the request to: Local Government of _____, PO Box _____, _____, CO _____, with a copy to the SWCCOG. If approved by the SWCCOG on behalf of the Local Government, the credit should be applied to the Customer's account within two billing cycles.

6. Mean Time to Repair (MTR)

MTR is a monthly measure. The Local Government standard is four (4) hours or less. MTR is defined as (total outages minutes) / (number of outages). No credits are associated with MTR.

7. Signal Loss Guarantee

The signal loss on each fiber of the DFL, as tested from one Demarcation Point to the other, using standard OTDR (Optical Time Domain Reflectometer) test equipment set for a test wavelength of 1310 nm (nanometers), shall not exceed the dB (decibel) limit specified on the Service Order. If the signal loss of the Customer's DFL service exceeds this limit for any reason other than a service interruption or one of the exclusions above for a period in excess of 48 hours, the Customer may be granted a service credit. This service credit will be the Customer's sole and exclusive remedy in the case of excessive signal loss, and will be calculated as 20% of the monthly rate for the portion of service affected.

4. THE LOCAL GOVERNMENT'S EQUIPMENT

(A) Equipment provided by the Local Government for the DFL is owned by the Local Government and is to be returned to the Local Government upon termination of the Service.

(B) The Customer agrees to keep the Local Government equipment in good repair for the duration of the Lease. Except as may be modified in the Service Order, the Customer grants to the Local Government and its agents six (6) rack units, or equivalent wall or shelf space at each Demarcation Point, electricity if required, and access to operate and service Local Government equipment.

(C) The Customer shall protect the Local Government premises and equipment and is responsible for any damage to or loss of the Local Government's premises or equipment.

(D) The Customer agrees to return the Local Government equipment within seven (7) days after termination of the Service, and to immediately pay the fair market value for any part of the equipment not returned to the Local Government within the seven (7) day period. Fair market value will be reasonably determined at the Local Government's sole discretion.

5. CUSTOMER USE OF DFL

The Customer may not use the DFL to provide communication services to other telecommunications providers or government agencies, except as specifically authorized in the Service Order. The location and specifications of a DFL are defined in the Service Order.

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Use shall be in accordance with all federal, state, and local laws.

6. PAYMENT

(A) In consideration for the Service to be provided by the Local Government and the cost for connection or disconnection, the Customer shall pay fees to the SWCCOG. Payment will be made in advance and in accordance with the Service Order, or in the absence of a Service Order, pursuant to the SWCCOG and Local Government's applicable fee schedule or price list. The SWCCOG and Local Government reserves the right to change pricing at any time, except that the Customer's pricing is protected within the current Term of the Lease. The Customer shall also pay appropriate late payment fees in accordance with the credit and collection policies of the Local Government and any sales tax or any taxes or other fees required by applicable law.

(B) Payment shall be due in accordance with the Customer's Service Order. Two payment options are available:

- i.** A quarterly paper or electronic invoice for a payment by check.
- ii.** Automatic bank draft using the SWCCOG's ACH service. The service authorizes the SWCCOG to make automatic quarterly charges each calendar quarter against your bank account. This authorization shall be cancelable by the Customer's via written notice to SWCCOG, delivered either by email, fax or USPS (First Class, postage prepaid).

(C) The Local Government has entered into an agreement with the Southwest Colorado Council of Governments as its billing agent to perform billing and collections on behalf of Local Government. The address for the Southwest Colorado Council of Governments is PO Box 963, Durango, CO 81302

7. TERM OF LEASE

(A) The initial Term of this Lease is twelve (12) months. At the end of the initial Term, the Lease will continue on an annual basis until terminated with at least 30 days written notice by either party or renewed by written agreement of the SWCCOG and Customer..

(B) If the SWCCOG/Local Government materially defaults in performance of any duty or obligation imposed by this Lease, the Customer may terminate this Agreement after giving written notice to the SWCCOG and Local Government specifying the existence and nature of the default, and giving the SWCCOG and Local Government thirty (30) days from the effective date of the notice to cure the default. Events of material default by the Local Government shall include, but are not limited to, failure to perform its duties hereunder three or more times within any calendar month. If the Customer terminates this Lease in accordance with this paragraph after the SWCCOG/Local Government fails to cure the fault within 30 days after notice, then the Customer will not be obligated to pay any monthly Service charges, beyond the month in which the Customer terminates.

(C) The SWCCOG or Local Government may suspend or terminate the Lease upon no less than thirty (30) days prior notice, and under this section shall not release the Customer from monthly payments or other obligations for the remainder of the Term of Lease, upon (i) the Customer's failure to pay any amounts invoiced hereunder within thirty (30) days after the date of the invoice; or (ii) the Customer's failure or refusal to cure any breach of this Lease (other than as mentioned above) within thirty (30) days after notice of such breach has been given by the SWCCOG to the Customer.

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(D) Except as provided for in section 7(B), if the Lease is terminated by any party prior to the completion of the full Term of Lease, the Customer agrees to pay the SWCCOG, within seven (7) days, all of the balance on the Customer's account, the fair market value of any equipment not returned (if applicable), and 70% of the monthly charges for the balance of the Term of Lease.

(E) The parties acknowledge that the SWCCOG or Local Government may cancel this agreement, in its discretion, if it receives a written complaint pursuant to C.R.S. § 29-27-303.

8. DISCLAIMER OF WARRANTIES

The Local Government and SWCCOG exercise no control whatsoever over the content, accuracy or quality of the information passing through its Network or any products ordered by the Customer via its Network. The information or products obtained by the Customer through the Service are provided "as is" without any warranties whatsoever, expressed or implied. EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, THE SWCCOG and LOCAL GOVERNMENT MAKES NO WARRANTIES REGARDING THE NETWORK, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR THAT ITS NETWORK OR DARK FIBER WILL OPERATE ERROR FREE OR WITHOUT INTERRUPTION.

9. LIMITATION OF LIABILITY

In no event shall any party hereto be liable to any other for any consequential or special damages arising out of or in relation to this Agreement or the Service, including, but not limited to, damages incurred by the Customer resulting from loss of data due to delays, non-deliveries, mis-deliveries or interruptions in Service, regardless of the cause.

10. LIMITATION OF LIABILITY/INDEMNITY

In no event shall any party hereto be liable to the other for any consequential or special damages arising out of or in relation to this Agreement or the Service, including, but not limited to, damages incurred by you resulting from loss of data due to delays, non-deliveries, mis-deliveries or interruptions in Service, regardless of the cause.

The Local Government and SWCCOG shall not at any time be liable for injury or damage occurring to any person or property from any cause whatsoever arising out of Customer's actions or failures to act in the exercise of the privileges or rights under this Agreement.

Customer shall indemnify, defend and hold harmless the SWCCOG and/or Local Government, its officers, agents and employees of and from any claim, demand, lawsuit, or action of any kind for injury to or death of persons, arising out of: negligent or willful acts or omissions of Customer, its agents, officers, directors, employees or contractors; the exercise by Customer of the privileges or rights given herein; and the performance by Customer of any of its obligations under this Agreement. The obligation to indemnify shall extend to and encompass all costs incurred by the SWCCOG and/or Local Government in defending such claims, demands, lawsuits or actions, including, but not limited to, attorney, witness and expert witness fees, and any other litigation related expenses. Customer shall pay any cost that may be incurred by Local Government and/ or SWCCOG in enforcing this indemnity, including reasonable attorney fees. Customer shall indemnify, defend, and hold harmless the Local Government and/or SWCCOG from and against any loss, cost, expense or liability arising out of a claim that Customer's use of its own equipment, software, and the like used by Customer in connection with the Local Government's network or dark fiber, infringes, misappropriates or otherwise violates the intellectual property rights of any third party.

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The waivers and disclaimers of liability, releases from liability, exclusive remedy provisions, and (except as expressly stated to the contrary therein) indemnity and hold harmless provisions expressed throughout this Agreement shall apply even in the event of the fault, negligence (in whole or in part), strict liability, or breach of contract of the party released or whose liability is waived, disclaimed, limited, apportioned or fixed by such exclusive remedy provision, or who is indemnified or held harmless, and shall extend to their respective affiliates and its and their respective partners, directors, officers, employees and agents. Such provisions shall continue in full force and effect notwithstanding the completion, termination, suspension, cancellation or rescission of this Agreement, or termination of the rights and privileges granted by this Agreement. No officer, director, employee, agent or other individual representative of either the Local Government and/or SWCCOG shall be personally responsible for any liability arising under this Agreement.

11. FORCE MAJEURE

Neither party shall be considered in default of its obligations hereunder if performance of such obligations is prevented or delayed by acts of God, government, war, riots, acts of civil disorder, labor disputes, failure or delay of transportation or such other causes as are beyond such party's reasonable control.

12. ASSIGNMENT

No party to this Lease may assign its rights or delegate its duties hereunder, in whole or in part, without the prior, written consent of the other party.

13. GOVERNING LAW

This Lease shall be construed under the laws of Colorado, and as applicable, of the United States of America. Venue for any action or proceeding arising out of this Lease shall be in La Plata County, Colorado.

14. PRIVATE CARRIER SERVICE

Entering into this Agreement and providing the Service do not classify the Local Government or the SWCCOG as a Telecommunications Company, Telecommunications Carrier, Telecommunications Service Provider or any other telecommunications entity as defined by federal or state laws, rules, regulations or administrative orders. This Service is provided as a Private Carrier service.

15. APPROVAL & SIGNATURE PAGE

By signing below, representatives from the Local Government and the Customer acknowledge their approval of the terms of this document.

SWCCOG Executive director on behalf of the Local Government of _____

Signature: _____ Date: _____

Customer: _____

Name: _____

Title: _____

Signature: _____ Date: _____

Meeting Time Change

To: SWCCOG Board of Directors
From: Sara Trujillo
Date: 3 June 2016

Comments: To ensure adequate time for all agenda items that will help to consistently start and end COG Board meetings on time, staff recommends extending monthly board meeting from 1:30 – 4:00pm.

Snapple Grant: Recycling Bins

Staff: Shannon Cramer

Date: 3 June 2016

“The Dr Pepper Snapple / Keep America Beautiful Park Recycling Infrastructure Grant program is designed to build or expand recycling opportunities in different park settings such as urban parks, neighborhood parks with playgrounds, athletic fields, regional and state parks, public beaches and developed public water front areas such as board walks.”

“After grant recipients are selected, KAB will contact grantees to confirm details and arrange to have suppliers deliver bins directly to the recipients. To help further expand park recycling programs, grantees will be eligible to purchase additional bins of the same style at a discounted price. Preference will be given to applicants who commit to matching the grant by purchasing additional recycling bins.”

I have heard back from two members that would like to put in applications for bins. The COG would like to put in applications for these two members for 60 bins total, which is the maximum amount that can be awarded. This grant is relatively simple to complete. It is due June 10th. Staff has the capacity to submit an application before the deadline.

Staff Recommendation: Apply for Snapple Grant Recycling Bins for 60 bins to be distributed to interested member jurisdictions.

2017 CIRSA Renewal

To: SWCCOG Board of Directors
From: Sara Trujillo
Date: 3 June 2016

Comments: Please find the relevant documents of the 2017 CIRSA renewal packet following this memo. There is no cost involved for the renewal, as CIRSA has to update their information if the SWCCOG made changes to insurance coverage. There are no changes made to the insurance coverage.

COG staff recommends the Board accept the 2017 CIRSA renewal with deductibles used prior and signature authority to Julie Westendorff, Board Vice Chair. And to allow Staff to submit all CIRSA Renewal Applications in the future.



MEMORANDUM

TO: CIRSA Workers' Compensation Underwriting Contact

FROM: Meg Cody, Underwriting Representative *mc*

DATE: April 29, 2016

SUBJECT: 2017 CIRSA Workers' Compensation Renewal Loss History Information

In preparation for the 2017 Workers' Compensation renewal, CIRSA needs updated loss information for your entity. The Southwest Colorado Council of Governments became a member of the CIRSA Workers' Compensation pool effective February 10, 2014. Therefore, we need updated loss information prior to this date. This would include loss information for the period of January 1, 2013 to February 10, 2014.

To assist you in obtaining the requested information from your prior carrier(s), a sample letter of authorization to release this information is enclosed. The carrier name, address and policy number(s) shown on the sample are your entity's specific information as indicated on your CIRSA New Member Application at the time it was completed. Please verify that this information is still correct. Type the letter on your entity letterhead and forward it to your prior carrier(s)*. **Please send a copy of the request letter to CIRSA.** The loss runs are due to CIRSA on or before **Friday, June 10, 2016.**

*Note if your prior carrier is Pinnacol Assurance, it is recommended that you fax your request letter to them at (303)-361-5000, or call them at (303)-361-4000 to request the loss information. Also, Pinnacol will not release information directly to CIRSA, therefore, once you receive the current loss information from Pinnacol, you will need to forward it to CIRSA

If you have any questions or need additional information, please contact me at (800) 228-7136 or (303) 757-5475.

enclosure



Southwest Colorado Council of Governments

June 3, 2016

SUBJECT: Southwest Colorado Council of Governments

This letter is to certify that the Southwest Colorado Council of Governments has not had any known Workers' Compensation losses since January 1, 2013 to current date.
