

**Southwest Colorado Council of Governments  
May Board Meeting  
Thursday, 4 May 2017, 1:30pm  
1188 E. 2nd Ave., Carnegie Bldg., Durango, CO 81301**

In Attendance:

John Egan – Town of Pagosa Springs  
Michael Whiting – Archuleta County  
Gwen Lachelt – La Plata County  
William Tookey – San Juan County  
Fred Brooks – Town of Mancos  
Dick White – City of Durango  
Chis La May – Town of Bayfield  
Jim Ostrem – Town of Rico (via video)  
Mark Garcia – Town of Ignacio (via video)

Staff in Attendance:

Miriam Gillow-Wiles – Southwest Colorado Council of Governments  
Jessica Laitsch – Southwest Colorado Council of Governments  
Dennis Wegienek – Southwest Colorado Council of Governments  
Sara Trujillo – Southwest Colorado Council of Governments

Guests in Attendance:

Karen Iverson – Regional Housing Alliance (RHA)  
Ann Harold-McCoy – Senator Gardner’s Office

**I. Introductions**

The meeting was called to order at 1:33 pm; everyone introduced themselves.

**II. Consent Agenda**

a. 6 April 2017 SWCCOG Meeting Minutes

**Dick White motioned to approve the April meeting minutes, Chris La May seconded, unanimously approved.**

b. March 2017 Financials

Dick asked why the DoLA 9038 grant showed \$7,000 over budget in revenue. Sara said DoLA reimbursed approximately \$8,500 more than was requested on a 2016 reimbursement request. Instead of returning payment and redoing the request, DoLA asked the COG to keep the funds as a credit balance and draw off of it until the credit was used in its entirety. Miriam added that the DoLA 9038 grant is now closed and all funds have been spent. Dick inquired as to why the member match was showing \$10,000 but the actual showing \$15,000. Sara said after the budget was approved with the \$10,000 amount for member match, the board voted to increase this amount to \$15,000. Dick noted that the e-TICS budget was different than the actual but understands changes throughout the year will be reflected in the future budget amendment.

**Dick White motioned to approve the March 2017 financials, Gwen Lachelt seconded, unanimously approved.**

**III. Reports**

Director’s Report

Miriam reported that she recently made 2 trips to Denver for transportation legislation testimony, 1 trip to Phoenix for the Sonoran Institute panel (the Sonoran Institute being the entity that

awarded the COG a grant in 2014-2015 for Western Lands and Communities (WLC) Grant), and a second trip to Phoenix for a broadband conference that was beneficial. Dick said the WLC grant results would be a worthwhile conversation as scenario planning is relevant looking at the future. Chris said the San Juan Basin Health (SJBH) item in the Director's Report indicated creating a coalition and asked if this would be outside of the COG or including the COG. Miriam said this is part of the Rural Healthcare Grant where there must be at least 1 rural health applicant or a coalition. SJBH has been contacted to be a part of the coalition as there is greater strength in a coalition; a more in depth report is provided later in the agenda.

#### Broadband Report

Miriam reported that much broadband work has been done including working on federal funding, creating match, creating a coalition for a federal grant, working with CDOT, and helping smaller communities engage with ISPs. Miriam has also had contact with The Technology Planning Team; an organization made up of regional IT folks who talk about broadband needs and how to better meet those needs. This organization has been in dormancy for the last year, and Miriam is trying to bring it back to a functioning state as they will be needed for the federal broadband grant. Broadband legislation continues with the Enterprise Zone Development that has been approved by Region 9. The Enterprise Zone will allow the vast majority of the region's land owners and private companies to donate goods, services, right-of-ways, easements, etc., for a 12.5% tax credit, which will help with broadband development. This has been relatively successful in Region 10.

#### Legislation Report

Jessica reported that the legislation cycle is almost over. There has been a bit of movement on SB303 for funding and financing of the highway system. This would take a percentage of existing sales and use tax to be used for transportation and has been referred to senate appropriations. Miriam said SB267 regarding the hospital provider fee would sell off state assets and lease them back. This bill is quite complicated due to TABOR restrictions and the goal is to reduce the overall budget. This has been languishing in the house. With 5 days left to go, there has been discussion about a special session. If this legislation does not pass it will significantly impact local hospitals.

Miriam said previous broadband legislation would do away with the ability to opt out of 152 retroactively; essentially, those that opted out would get pulled back in. This piece has been removed from the legislation and now there is potential legislation that would address the Broadband High Cost Fund developed in 2014 to give money to ISPs to build out infrastructure in rural areas. In 2014, when funds from the Telephony High Cost Fund were moved to the Broadband High Cost Fund, Century Link immediately sued the Broadband High Cost Fund because Century Link was losing money. . If an ISP comes in wanting to use money from the Broadband High Cost Fund, the incumbent provider has first right of refusal in the area and Century Link has been utilizing the first right of refusal to build out DSL infrastructure instead of broadband infrastructure. This legislation may or may not be introduced and puts mechanisms in the Broadband High Cost Fund that do not solve the problem. Initially, there was an incorrect speed definition in the legislation where 10 by 1 speeds defined broadband when broadband is defined as 25 by 3 mbps; this has been fixed. However, the other issue is the legislation uses census track data to determine if an area is served or not. In our rural region, this information is self-reported by the ISPs. There is a dichotomy between what Century Link is reporting and what a community is actually receiving. Dick asked what the strategy would be if this legislation is introduced. Miriam suggested the COG board wait until summer to create a holistic comprehensive legislation that will have some positive impact on rural Colorado, specifically the southwest, and do this in advance of the legislative session.

Gwen said the COG had discussed doing water quantity and quality work; there was a bill in the legislature that talked about Colorado's water priorities and using Governor Hickenlooper's water plan introduced in 2015 that outlined some criteria that should be applied to future water projects. There has been an emphasis by some folks that we should fight the criteria. The western slope is standing strong in not wanting transbasin water diversion projects to go to the Front Range. Michael said we will see a push for projects on the west slope that don't benefit us but are simply designed for compact calls, which are fine as long as the projects are not on the backs of local tax payers. It won't be transbasin diversion but a virtual transbasin diversion by boxing up the water on this side through compact requirements and handing it to the east side. It's not just a physical diversion but an interest diversion to the Front Range. Gwen said the bill has not gone anywhere, but is something the COG should monitor. Gwen and Michael agreed to share the monitoring of this legislation and will share updates and information with COG members.

#### Transportation Report

There were no questions.

#### VISTA Report

Dennis reported that draft brochures have been sent to all respective communities. Dennis is ensuring all edits and information is satisfactory with input received. Brochures will be put on the website and there are grant funds set aside for printing of the brochures. Dennis said he has been making good leeway with teachers in preparing the curriculum for the elementary schools in translating the recycling information to elementary language. There were no questions.

### **IV. Discussion Items**

#### a. Retreat Review

Miriam reported that the retreat focused on action items and outcomes. The board packet included a final report from the facilitator with survey graphs. The graphs give a good idea of what is important and helped to create the critical success factors. Many board members said Karen Thompson, retreat facilitator, did a great job and they felt the retreat was beneficial. Gwen asked if the COG could send a thank you to Karen for her services. Miriam said she would send a card.

#### b. 501c(4) Formation

Miriam reported that she has been in contact with Ken Fellman regarding the COG creating a non-profit and will have a full memo from Ken soon. The initial discussion surrounding the creation of a 501c4 was so the COG could opt out of 152 because if the COG could not opt out it would create issues with owning and leasing broadband infrastructure or having public/ private partnerships. After talking to Ken Fellman and researching the state statute on IGAs, the COG can legally do whatever the member organizations can do. Therefore, if the COG members can opt out of 152, so can the COG. This eliminates the need for a non-profit status. Gwen asked if all COG members are opted out of 152. Miriam said all are except Rico, and they are not putting money towards broadband. No longer having a need for a non-profit status keeps things simpler, less expensive, and more streamlined. Michael asked if this was explicit in the Colorado statutes. Miriam said she is unsure but Ken Fellman will be providing a memo on the discussion and statute. The IGA and/or bylaws between the COG and members may need to be updated with this information. John suggested having something the board can vote on versus changing bylaws, such as a vote for the COG to opt out of 152. Gwen said to be sure and reference the state statute.

## V. Decision Items

### a. Executive Committee Meeting Minutes

**Chris La May motioned to approve the 21 March 2017 Executive Committee meeting minutes, Gwen Lachelt seconded, unanimously approved.**

### b. RHA Contract

Miriam reported that Karen Iverson, Regional Housing Alliance (RHA) Director, previously approached the COG regarding contract administrative services while the RHA is in dormancy for the next 4 years. A contract has been created and reviewed by legal. The service cost is \$10,000 per year. Gwen asked for some highlights as to what this contract will mean for the COG and asked if this obligates the COG in any way to do regional housing work. Miriam said the RHA will maintain its autonomy, bylaws, and board. The contract is simply to manage the organization while in dormancy until the RHA board determines next steps to either dissolve the organization or bring it out of dormancy. Michael asked what level of activity is anticipated beyond the scope of the annual \$10,000 admin service fee. Miriam said the contract states up to an additional 40 hours per year of work, which would entail whatever else the RHA board would like to do. Michael asked what if there were to be anything above that. Miriam said the COG and RHA boards would have to discuss at that time. Dick asked how frequently the RHA board would meet in a dormant state. Karen said once per year minimum. The Homes Fund (HF) has been contracted to maintain 9 RHA loans until those loans can be transferred from the RHA to the HF at the end of 2020 as there is a 10-year restriction on the funds. Karen reminded the board that the RHA is not coming under the COG but the COG is simply providing administrative services; the RHA will remain independent. Year 2021 will be the final year, final audit, wrap up and close out. William asked Karen if there is a potential down the road where there might be a program that the RHA would be the proper vehicle rather than the HF. Karen said the RHA is unique in its ability to tax, but so can counties. Also, if the RHA is a partner in a project, the project automatically gets a tax exemption, which is seen often in the Front Range; however, this type of situation has not come up in our region as asking for a tax exemption can sometimes be controversial. There was no further discussion.

**Chris La May motioned to approve the Professional Services Agreement between the Regional Housing Alliance and the Southwest Council of Governments, William Tookey seconded, unanimously approved.**

### c. Rural Healthcare Grant

Miriam reported that during the process of developing the SWCCOG Regional Broadband Plan a variety of funding sources were discussed for middle mile development. The consultant and staff have settled on the Rural Healthcare Grant from USAC as we have more healthcare facilities than schools/libraries that need to be connected, and therefore, a better case can be made in the application process. The initial estimate was \$55-60 million; the Rural Healthcare Grant will pay up to 65% of that cost. As a result we are targeting about \$35-40 million in funding from Rural Healthcare. This grant is complicated, being federal funding, and is due June 30th. Staff has been working with local CDOT and CDOT Headquarters in Denver to find the 35% match required. After initial discussions this seems to be a possibility through cash and in-kind funding from CDOT. We will work with the ISPs that have infrastructure in the areas for development and maybe apply for a DoLA grant at the end of 2017 or early 2018. Miriam said it is critical that the COG apply for this funding now because it may disappear under the 2017-2018 federal budget and may not come back. This grant will impact staffing, budgeting, and audits. Additional staff would be required and admin funds would be part of the grant. The grant is anticipated to be 3-5 years.

Miriam said the grant requires a lead applicant, which the COG would be with a consortium of healthcare facilities providing letters of authority to the COG. Chris noted that on page 106 of the board packet the verbiage seemed contradictory regarding an ineligible lead being able to lead but not receive benefit and questioned if the COG is eligible or ineligible. William said his understanding is if the lead is an ineligible *healthcare* provider, that healthcare provider would not receive benefit. Being that the COG is not a healthcare provider, there should be no issue with the COG receiving benefit. Miriam said she will confirm the meaning behind the verbiage. Michael asked for clarification on this prior to a vote. Miriam said the application is due at the end of June but staff will continue working on the application and provide an update at the June meeting requesting a vote to apply. John said the Executive Committee would be available for any issues until the June board meeting to keep the application progressing. Chris said on page 112 the builds within each community are listed and Bayfield states "0"; he wants to ensure Bayfield clinics are being considered rural healthcare. Miriam said the Bayfield clinics are considered rural healthcare and she will go back through to double check. John said this is a big deal with big responsibilities and staffing issues need to be addressed within the next budget because if the COG fails to perform, there will be consequences for the COG. Chris said communities could possibly provide in-kind by waiving right-of-way permit fees.

## **VI. Other Items**

None

## **VII. Community Updates**

John Egan, Pagosa Springs:

- The town is discussing doing away with impact fees as folks report that projects are unfeasible due to this fee's high cost. John said there is discussion of a trial year eliminating this fee to see if there would be an increase in development and initiation of new projects. Michael said this will be an interesting conversation between the town and county because impact fees are a way to steer growth. Mark said Ignacio recently initiated an impact fee and would share some insight with John and Michael. Gwen said La Plata County has engaged a company to do an impact fee study and based on study outcomes may implement impact fees beginning in 2018.

Dick White, City of Durango:

- Durango is considering a building and transit impact fee, especially with the decrease in transit funding.
- Durango recently passed a new comprehensive plan.
- A new council has been sworn in and is gearing up for a retreat later in May.
- Panhandling and homelessness are still major issues.

Michael Whiting, Archuleta County:

- A decision has been made to build the courthouse uptown rather than downtown.
- There is concern over the actions at the federal level and the Executive Order from the President regarding national monuments and the current attack on the Antiquities Act. Although Chimney Rock is not a threatened national monument because it is too small, if nothing is done now, smaller monuments could be next. National monuments bring in much revenues and double digit growth in tourism has been seen since Chimney Rock was designated a national monument. Michael urged members to read up on the subject as people should be cherishing, protecting and creating more monuments versus reducing. John said this is a significant issue because there are several national

monuments in our region and asked if the board would like to take a position by writing a letter to legislators. Members said yes.

**Michael Whiting motioned to draft a letter in opposition to targeting national monuments for any change other than enlargement or adding more, Fred Brooks seconded, unanimously approved.**

John asked Jessica to get a draft letter ready for board review and approval at the June meeting. Miriam said to get this letter through quicker, the Executive Committee could review and approve at the next Executive meeting.

**Gwen Lachelt motioned to have the Legislative and Executive Committees review and authorize signature, Michael Whiting seconded, unanimously approved.**

Gwen Lachelt, La Plata County:

- Gwen reported that she recently had an opportunity to speak in Washington on a panel sponsored by the Outdoor Industry Association, the House and Senate Caucus, the Northface, and a group called Public Lands Solutions regarding the national monument issue. There is new economic data that includes outdoor recreation showing that 5% of GDP, or \$900 billion annually, comes from national monument contributions. This is significant and the data should be used to back up the letter.
- La Plata County is facing significant decline and will be delving into budget building for 2018 with an eye towards cutting \$7 million. The county is looking at implementing a marijuana excise tax. Fred said Mancos made \$110,000 in 2016 from excise tax. Miriam said Cortez funds 2 or 3 of their police departments on marijuana excise taxes alone. Gwen said the budget issue is being brought to the public's attention early so no one will feel they are being last-minute informed in October/November.
- Gwen is communicating with the public about the current property tax mil levy. The average property tax mil levy in Colorado is 22% with La Plata County being at 8.5% because for 30 years oil and gas paid the other part. With oil and gas going away, property owners need to understand that providing county services costs a lot of money.

William Tookey, San Juan County:

- From a pro budget stand point, the Gallagher Amendment won't have the impact previously thought, which is good; secure rural schools looks probable and will help the budget.
- The Durango-Silverton train starts back up on Saturday.
- The county is opening up the jeep roads.
- The town elected to keep the OHV routes as is.
- The BLM issued a permit to the Silverton Mountain Guides in exchange for some land that was not usable.
- Silverton will be looking for a manager shortly; Michelle Hamilton will fill-in for the time being.

Chris La May, Town of Bayfield:

- Chris received an email stating that Farmington leads for the 2<sup>nd</sup> year in a row in population loss, which impacts us here.
- Bridges are out on the south and the new school building construction is taking place on the north.
- The town is working on a wayfinding signage plan.
- The town is working on parks, trails, open spaces recreation plan that will be funded by DoLA.

- DoLA is helping with a land use comprehensive plan update.
- The town was awarded assistance from The Office of Economic Development and International Trade to do a community assessment. A contractor is coming out May 30-June 1. The idea is to have an outside perspective and recommendation to what Bayfield can do to improve economic vitality.
- Mill Street Drug has moved north of town but is still in town limits. There are quite a few building vacancies downtown. The town plans to do downtown block parties this year to promote downtown, and there is a group that wants to create a Thursday evening Farmers Market downtown, which will also help promote downtown.

Fred Brooks, Town of Mancos:

- Andrea Philips resigned as Town Administrator.
- The pedestrian crossing project on the north side of town has broken ground.
- There is discussion of a park on the north side.
- The town recently funded the farmers market with a small grant for signage.
- Ruedi Bear, a local entrepreneur, was in a fatal car accident. The town had a contract with Ruedi to provide landscaping for a park. His heirs have stepped up to take over the contract, and in remembrance of Ruedi, will name the park after him with a stage for performing arts.

Mark Garcia, Town of Ignacio:

- The town is working on branding and marketing.
- Looking at a refill of impact fees.

Miriam Gillow-Wiles, SWCCOG:

- The Colorado Communication and Utility Alliance (CCUA) is bringing the July 21, 2017 meeting to southwest Colorado. To help promote COG member communities, Miriam said she will be putting together a travel brochure for the CCUA folks and asked for members to send her ideas and events that will be happening in their communities.

John asked for a motion to adjourn.

**William Tookey motioned to adjourn the May regular COG board meeting, Gwen Lachelt seconded, unanimously approved.**

**End 3:14 pm**