

MINUTES

PUEBLO AREA COUNCIL OF GOVERNMENTS

JANUARY 22, 2015

A meeting of the Pueblo Area Council of Governments was held on Thursday, January 22, 2015, at the Pueblo City-County Health Department, 101 West 9th Street, Third Floor, Conference Room C. The meeting was called to order by Mr. Roger Lowe, Chairman, at 12:15 p.m.

ROLL CALL

Those members present were:

Ed Brown
Michael Colucci
John Cordova
Dennis Flores
Nick Gradisar
Ted Lopez

Roger Lowe
Buffie McFadyen
Steve Nawrocki
Sal Pace
Lewis Quigley

Those members absent were:

Terry Hart
Eva Montoya

Tony Montoya
Chris Nicoll

Also present were:

Joan Armstrong
Sam Azad
Michael Cuppy
Scott Hobson

Dan Kogovsek
Louella Salazar
Greg Styduhar

CONSENT ITEMS:

Ms. Joan Armstrong, PACOG Manager, reported there were three items listed on the agenda under the Consent Items. She summarized the three Consent Items for PACOG.

Chairman Lowe asked if there were any other additions or amendments to the Consent Items or if any of the members or audience would like any of the items removed or discussed that are on the Consent agenda.

It was moved by John Cordova, seconded by Steve Nawrocki, and passed unanimously to approve the three Consent Items listed below:

- Minutes of December 4, 2014 Meeting;
- Treasurer's Report (Receive and file November 2014 Financial Report); and
- A Resolution Designating a Place for the Posting of Notice of Public Meetings of the Pueblo Area Council of Governments for Calendar Year 2015.

REGULAR ITEMS:

CHAIRPERSON'S REPORT

(A) Introduction of New City Council Member

Chairman Lowe welcomed John B. Cordova, Sr., the new City Councilperson.

(B) PACOG Nominating Committee for Officers

Mr. Ed Brown reported the PACOG Nominating Committee consisting of Terry Hart, Tony Montoya, and he met on January 21, 2015 and selected the following persons to serve as officers for 2015: Terry Hart (Chair), Ed Brown (Vice Chair), Nick Gradisar (Treasurer), and Louella Salazar (Secretary).

It was moved by Lewis Quigley, seconded by Dennis Flores, and passed unanimously to accept the Nominating Committee's report and approve the following slate of officers for 2015:

Terry Hart - Chairman
Ed Brown - Vice Chairman
Nick Gradisar – Treasurer
Louella Salazar - Secretary

(C) New Chair Takes Chair

Vice Chairman Brown thanked everyone. He stated Chairman Hart was unable to attend today's meeting due to a previous commitment, so he was going to chair the meeting.

(D) Appointment of PACOG Budget Committee

Acting Chairman Brown stated this item would be deferred to the next meeting so the Chairman Hart could make the appointments to the PACOG Budget Committee.

(E) Lunch Appreciation

Acting Chairman Brown thanked the Pueblo School District No. 60 for providing lunch at today's meeting.

MANAGER'S REPORT

(A) EPAC Minutes/Statement/Report

Ms. Joan Armstrong, PACOG Manager, referred PACOG to the December 4, 2014 Environmental Policy Advisory Committee (EPAC) minutes which were included in their packets. This being an information item, no formal action was taken.

A RESOLUTION STATING FINDINGS REGARDING THE CITY OF PUEBLO'S APPLICATION FOR A DISCHARGER-SPECIFIC VARIANCE FOR SELENIUM AND SULFATE STANDARDS FOR THE PUEBLO WATER RECLAMATION FACILITY (WRF) DISCHARGE TO LOWER ARKANSAS RIVER SEGMENT 1A

Mr. Sam Azad, City Manager, reported the City Wastewater Department staff made a presentation at PACOG's December 4, 2014 meeting. Per Mr. Hart's request, a decision on this item was postponed to today's meeting. The City staff has made adjustments to the resolution, noting Mr. Hart stated the previous resolution was somewhat long and confusing so it was shortened and made to the point. The City is asking PACOG to go ahead and support the City's resolution regarding the discharger-specific variance request, and vote on it today. He stated if any of the PACOG members have questions, City staff would be happy to answer them.

Mr. Pace suggested it be laid over until the next meeting. The County's special counsel on water quality has been working with the City and he felt this resolution was better than was previously submitted, but there is still some more groundwork that needs to be made. In the spirit of cooperation, he encouraged it be delayed so everyone can all be on the same page. He stated Mr. Hart isn't in attendance and he wanted to be, but he had to be in Denver at the State Legislative meeting. He stated the City would be presenting data to the Water Quality Control Commission (WQCC), and he felt it would be helpful to obtain the data before we go ahead and vote. He stated with the unique position the County is in with enforcing water quality, specifically the scrutiny with entities outside the County of Pueblo, he wanted to insure that the County does not put itself in any position that hurts their ability to protect the citizens of Pueblo outside of this particular resolution and that they are consistent with how they are enforcing water quality. He stated the County of Pueblo is very interested in how Colorado Springs is handling Fountain Creek and its water quality. As part of permitting of the Southern Delivery System (SDS), the County has some authority to insure that the water quality and stormwater interests on the Fountain Creek are addressed. Pueblo County feels it is critical that they take more time to review this resolution and the City and County attorneys are on the same page so that the County is not putting itself at risk of hurting their arguments in certain situations.

Mr. Azad encouraged PACOG to take a vote today, noting the City is at a crunch time, noting they brought this resolution before PACOG in December. He stated he knew that the attorneys were having discussions with one another and he felt they could resolve those issues. He felt they needed to move forward. He stated there is a pre-hearing with the WQCC on the application on February 4th. It is important for PACOG to support this variance without any question because of the fiscal impact it is going to have on all the ratepayers in this community. If we are not on the same page and we are not unified, then the application for this variance will have a great deal of impact on ratepayers in the community that will not be fair to those people whose rates would double or triple. Mr. Styduhar asked Mr. Azad if his statement was coming in his capacity as the PACOG Co-Executive Director or Pueblo City Manager. Mr. Azad replied it is strictly as City Manager. Mr. Styduhar stated he indicated earlier that he had a conflict because of previous work he provided to the City. He stated he is unable to speak to the specifics of this particular request. Procedurally, what he heard Mr. Pace request is a continuance of this item. He stated he submitted to the PACOG members that a continuance to a later date will not cost the City ratepayers anything more. It is

just basically holding off the decision until all of the information can be presented to PACOG, and an intelligent decision can be made. He stated he wasn't certain how asking for a continuance can be detrimental to the City's position. Mr. Azad replied he didn't think the continuance of the resolution would have anything to do with the ratepayers. He stated this is the same information which has been provided to PACOG over and over again. He stated at some point PACOG has to make a decision and move on. Acting Chair Brown stated PACOG did receive a recommendation of approval from EPAC.

Mr. Quigley asked Mr. Michael for the technical information. Mr. Gene Michael, Director of City Wastewater Department, replied what the City has done in preparation for this is to perform an exhaustive technical and alternatives analysis on the issue of how to deal with selenium. All of the signs point to the fact that the really feasible technology would be reverse osmosis, which was used to quantify costs. The real issue they have to deal with is that the Clean Water Act and all of its rules are designed to control human activities that pollute the river. In this case, we are dealing with an issue that is not human.

Mr. Kogovsek asked Mr. Styduhar if he was speaking as PACOG Co-Executive Director or County Attorney. Mr. Styduhar replied he was speaking as Co-Executive Director because he is speaking to PACOG and not speaking on behalf of any entity. Mr. Kogovsek stated he thought he heard a motion to continue. Ms. Salazar replied no motion has been made. Mr. Kogovsek stated if there was no motion and we have had our discussion that PACOG should take a vote.

Ms. McFadyen stated Mr. Hart is not here and is the most vocal opponent of the original resolution. In the spirit of wanting cooperation between the City and County, she stated without Mr. Hart being here it is very disingenuous. She stated her objection to this particular resolution has been the same, which is she doesn't agree with asking for 30 years without it being in compliance with the 208 Plan, noting it doesn't go for 30 years. Mr. Kogovsek stated that EPAC disagrees with her. Ms. McFadyen stated Mr. Hart wants to be here as a County Commissioner, noting they only have three votes on PACOG and the City has seven. There is no question that in the future the County will likely have water quality issues that will be pending before them. She stated she could not today agree with this resolution as it is written, but she could possibly get to a place where she can agree substantially. She stated with her past experience as a legislator and having passed the only real water quality legislation the State has seen in decades that she lends credibility to her support of this in front of the WQCC. She stated the next WQCC hearing is a presentation on data and not on a decision of whether or not this actually goes forward. She stated the WQCC doesn't move at the speed of lightning. It's a thorough process. Mr. Michael stated the State has scheduled a rule-making hearing for April 2015. Prior to that there will be the submission of documentation. In April 2015, the WQCC will make a rule-making decision on whether or not to approve the variance. Ms. McFadyen stated there are PACOG meetings between now and April and she would be happy to make a motion to continue this in the spirit of cooperation between the City and County knowing that the City wants support from the entire PACOG board. The most vocal opponent of this original PACOG resolution was Mr. Hart. She stated Mr. Hart is not in attendance and it is not because he didn't want to be here. He is doing his job as a County Commissioner in Denver. She stated she didn't believe it was unreasonable to move this until next month so Mr. Hart could be here, and the County could also give its input. She stated as if it goes forward today as written that

she could not support it. She stated Mr. Azad is asking the full cooperation of PACOG to be collaborative in this effort and she stated she couldn't be with the 30-year language as written. She stated in the 208 Plan we don't refer to anything for 30 years. She stated she made this clear at the last meeting. Without jeopardizing the position of the County and water quality issues coming in the future, she can't vote yes. She stated this puts her as a County Commissioner, on behalf of the citizens of this County in a very precarious position. She stated she understood Mr. Azad's position regarding the City ratepayers, but all Commissioner Pace is asking for is to have another month to get to where they can have a consensus. She felt the County has been very transparent in their concerns, noting it doesn't mean they can't come to a consensus.

Mr. Gradisar stated Mr. Michael indicated there would be an effect on the ratepayers in Pueblo. He asked Mr. Michael if he based that estimate on the cost of treating wastewater to get the selenium out. Mr. Michael replied yes. Mr. Gradisar asked if he has compared that cost versus the cost of keeping the selenium out of the sewer system. Mr. Michael replied the cost of treatment would be approximately \$58 million for construction and \$9 million per year for operation. The cost of sealing the sewers would be about \$35 million. The other issue they have to deal with is protecting the environment. Sealing the City sewers is going to harm the environment. Treating the City's effluent is also going to harm the environment. Under present conditions, the City is getting some removal of selenium, noting it is being taken out of the river and is being landfilled, and it is not going to reach the river. The option of sealing the sewers is going to guarantee more selenium reaches the river in higher concentrations. The alternative of treating the effluent is not going to solve the issue of reducing selenium in the river, but what it will do is generate about 2 million gallons per day of hazardous waste in the form of reject water from the reverse osmosis process. Mr. Gradisar asked what other information we are awaiting. Mr. Styduhar replied from what he understood that a pre-hearing statement is required. He asked Mr. Michael when that was to occur. Mr. Michael responded February 4th. Mr. Styduhar stated the pre-hearing statement from what he understood is the basis of the City's request to the WQCC, noting it contains information that is not contained in the presentation that was provided to PACOG. Mr. Michael replied "not really". Mr. Styduhar asked if it is different. Mr. Michael answered it is in a different form. Mr. Gradisar stated then the City files a pre-hearing statement. Mr. Michael stated his primary concern is a strategy of the denial through delay. The County has said in the past that this is fairly a new issue and it needs to be considered carefully. This has been brought before PACOG and the WQCC in 2012 in the form of Pueblo West issues. It was brought back again in the Arkansas River Basin hearing in 2013. At that time, the County engaged the services of some experts and they went through the process and looked at all the data the City brought before PACOG and made statements under oath to the WQCC indicating their position. There is no fundamentally new data.

Mr. Flores asked if the community was forced to spend \$93 million to upgrade the removal of selenium and sulfate from the water how much additional cost would it be to the ratepayers on a monthly basis. Mr. Michael responded he has not done an analysis so he could not give him a hard number. At the current time, the average ratepayer is paying about \$27.50 per month, noting he expected it to go up about \$10 per month for the average household. Mr. Flores stated a community like Pueblo can ask for a variance from the Clean Water Act for sulfate and selenium which is inherent in our environment. Whatever efforts we try to remove this, it will still continue to be going downstream. He felt we couldn't wait any longer, noting it is not a complicated issue.

He stated he is going to support the City Manager that we need to take a vote today, unless the County is saying somehow we need more information. He felt a lot of information was provided last month and it was deferred to today. He stated Mr. Michael needs some direction for the meeting, which will be held shortly. He stated he didn't see it as a complication unless the County wants the City to spend \$93 million. Mr. Pace replied the County does not want the City to spend \$93 million, noting he lives in the City and he doesn't want his rates to increase either. The County is not asking for the City to spend \$93 million. The County's position is to delay the vote for one month. The big risk is if we wait a month and the vote still turns out to be some City/County split, it is still in time for the April hearing. The potential reward is that the attorneys can find some common ground, and the County can consider all of the data presented to the WQCC. The vote at that time could be a unanimous vote. The risk is not that big versus the benefit.

Mr. Nawrocki stated that somewhere in the document we ask for 30 years. He asked if 30 years is a magic number? He stated Ms. McFadyen is suggesting that it would be more congruent with the 208 Plan, which is 10 years. He asked if 10 years is an unreasonable timeframe? Mr. Michael replied the difficulty they have is that whenever they go before any regulatory body with something of this magnitude, there is going to be a great deal of effort to go out and perform additional studies and analyses. He stated what they are certain of is the physical conditions are not going to go away. Mr. Nawrocki asked if the 10-year timeframe would allow the request for additional studies. Because it is naturally occurring, this will probably not change. Mr. Gabe Racz, the City's environmental attorney, stated the proposed expiration date is 2030, not 30 years, noting it is actually 15-year duration. One purpose of the duration is to cover two permit terms. Permits are nominally five years, but it takes the WQCC a little time between permits.

It was moved by Lewis Quigley and seconded by Dennis Flores to approve "A Resolution Stating Findings Regarding the City of Pueblo's Application for a Discharger-Specific Variance for Selenium and Sulfate Standards for the Pueblo Water Reclamation Facility (WRF) Discharge to Lower Arkansas River Segment 1a". Discussion ensued.

Mr. Colucci asked if Mr. Kogovsek agreed. Mr. Kogovsek stated he is unaware of John Barth, the County's attorney, agreeing to anything, noting he has been dealing with him for many years. It is unlikely that Mr. Barth and the City of Pueblo will reach an agreement on the terms of this variance. Ms. McFadyen stated she believed we should wait a month in order to come to a consensus. She stated she is concerned about her position with representing constituents in Pueblo County with knowledge that we will likely have water quality issues arise possibly in the very near future and would Pueblo County in a precarious position to agree to this resolution. She stated it is not just about the ratepayers in the City of Pueblo and she does not want to see the ratepayers pay more. She stated she differed with Mr. Flores, noting this is a very complicated issue. She stated in the last presentation she found it fascinating that if we seal off the sewers we could end up increasing the selenium in the river. The optimum system would be to seal the sewers to get a better water system and the complication of how to make that all work is you meet the standards for the Federal government and meet the standard of the State and do it at a rate that works. She stated to put the County in a position to sign on to this particular language, she can't do it. She believed they can come to some resolution. She stated Mr. Kogovsek in his tenure and career that he has an understanding what this could do to the County, since he previously worked for the

County. Mr. Kogovsek replied in his tenure as County Attorney that the County, which has no water quality regulatory authority, who does not run a sewer system, and who does not run a water system, has ever taken a position on water quality standards until Commissioner Hart and that was after Mr. Kogovsek left the County. The County has no skin in this game. The County does not run a water or sewer department. Colorado City and Pueblo West have more skin in the game than the County does. The players are the Pueblo Board of Water Works, the Pueblo West Metropolitan District, Colorado City Metropolitan District, and the City of Pueblo. The County does not regulate or run any water system. Ms. McFadyen replied she understood that. She stated that the County does have skin in the game in signing on to this resolution. She stated this is not simple. She stated at the last presentation she asked Mr. Racz how many of these requests have been made before the WQCC. Mr. Michael replied Mr. Racz indicated this would be the second. Ms. McFadyen stated that this is not as simple as do we agree or not agree. She stated we all agree that we have to act on behalf of the City of Pueblo and its water system. She stated she cares, noting sometimes she cares too much. Asking for a month to insure that Mr. Hart can be present is not asking too much. She asked that they be given a month to work on language that we can agree to and get a consensus, so that the City can go before the WQCC and say that the entire PACOG agreed unanimously to this request to go to 2030.

Mr. Flores stated it seems like we are talking about searching for more information. He asked Mr. Michael if he felt the information he has submitted to the City and PACOG is as comprehensive as it could be. He asked if he would be adding additional information before the WQCC or would it be the same information as presented to PACOG. Mr. Michael replied yes, it would be the same information that has already been presented to PACOG. Mr. Flores stated he is confused regarding additional information. He felt we didn't unanimity on this vote.

Mr. Quigley asked that they call for the motion. The motion to adopt the resolution failed.

Mr. Gradisar stated he is inclined to support this, but he wasn't going to do that today. He stated he didn't believe they were under the hard, fast deadline to take action today. He stated if waiting 30 days will make people feel more comfortable in voting on this then he would vote in favor of that. In the final analysis when it comes down to it, if the question is called today he will vote no simply because he felt we should accommodate the request for a delay for 30 days.

Nick Gradisar asked for a substitution to the original motion, which was seconded by Buffie McFadyen, to continue "A Resolution Stating Findings Regarding the City of Pueblo's Application for a Discharger-Specific Variance for Selenium and Sulfate Standards for the Pueblo Water Reclamation Facility (WRF) Discharge to Lower Arkansas River Segment 1a".

Mr. Michael asked if he could ask the person making the motion if they would be willing to modify it stating that there would unequivocally be a vote on February 26th. Mr. Gradisar agreed to the modification that a vote would be taken at the February 26th PACOG meeting.

Mr. Nawrocki asked if nothing was resolved or changed during the last PACOG meeting on December 4, 2014. Mr. Gradisar stated the resolution was changed and simplified.

Mr. Nawrocki stated he heard from Ms. McFadyen that she was concerned about the timeframe. Mr. Gradisar stated the timeframe is until 2030. Mr. Nawrocki asked what has not been negotiated and what the concerns are. He asked what is it that is going to take place between now and the February 26th meeting that will assure that we are going to move forward. He wondered if there are still issues. He stated if that is not going to happen then he felt there is no guarantee that they are going to vote in February. He stated he would like to know so that so they could be addressed. Mr. Pace stated he would make a commitment that he would not support another continuance next month. He stated some of the concerns are the fact there is going to be a presentation with data, noting the data should not change. Mr. Michael stated the data would not change. Mr. Pace stated there is some dispute about the time period, noting it was 15 not 30 years. The current 208 Plan indicates 10 years. He stated the difference in the time period can be discussed in the interim. Mr. Nawrocki stated he hasn't heard anything from the two County Commissioners present that they don't care about what's happening and any financial burden that our citizens having, as well as the water quality. He stated if the data is not going to change and if there is a debate about the time change, he felt this is a reasonable thing. He stated we know it is not 30 but 15 years, and the County feels it should be 10 years, noting this could be looked at. He stated he hasn't heard anything else that would change anybody's mind unless there is some kind of plan to totally say that the only way we are going to move this forward is that we are going to implement a plan that is going to cost \$93 million for our taxpayers. He stated he didn't know anybody on PACOG who would support that. Mr. Gradisar asked where the \$93 million number come from. Mr. Michael replied this would be sum of the \$58 million and \$35 million, noting you would do both for this cost. Mr. Nawrocki stated he couldn't figure out why this wasn't resolved at the last meeting, noting the resolution was longer before and has now been shortened. He stated the data has not changed. He stated he was sympathetic to the County Commissioners because they do care about their constituents. He stated he would be willing to support continuing for one more month if it would all be done at the next meeting and everybody would be in agreement. He asked if there is something he doesn't know that is potentially going to happen that wouldn't happen in a month. Mr. Pace stated Mr. Hart was not comfortable with the resolution, noting he shares in those concerns. He promised that he will not support another continuance next month. He stated he believed in collaboration and cooperation. Ms. McFadyen stated the language in the new resolution has been shortened and is more concise. She stated she is not comfortable with the language in the resolution that states "PACOG, acting in its role as the Areawide Water Quality Management Planning Agency for the Pueblo Region, finds that the variance is consistent with the Areawide 208 Water Quality Management Plan." It has been explained why she was previously using 30 years, which should have been 2030. Mr. Racz has explained why going to 2030 would make it cover two permit terms, noting the cycles are five years each knowing that they take time to go through the system. She stated she didn't comfortable on this particular language. She stated she needed legal counsel's input where she could agree with it. She felt there is power going to the WQCC knowing that they have had this arduous discussion and have all come to a consensus. She stated this is only the second time in the State that something of this magnitude has been requested, noting it is also complicated and Mr. Michael has to figure out how to meet all these regulatory issues and the environment work together is huge. She stated she didn't want to do this today, noting she would rather everyone work together and get consensus and then vote on it next month. She stated she could guarantee that Mr. Hart would not continue it. Mr. Nawrocki asked if the Board of County Commissioners has had a chance to review the resolution so that the input they

are asking now could potentially change, noting was it timely done for them to review it. He stated it is paramount that we all work together (i.e., City Council and Board of County Commissioners), noting we have the same constituents and they do have a vested interest. Mr. Pace replied the language has changed in a fashion which makes it a better resolution is indicative of the fact that we can find common ground. Mr. Nawrocki asked if they had time to review the resolution and get back to the City. Mr. Pace stated he believed Mr. Hart has been in negotiations. Mr. Nawrocki asked if Mr. Hart was uncomfortable with it. Mr. Pace stated that Mr. Hart indicated that he felt close. Mr. Nawrocki stated he would like a continuance for one more month with the understanding that they would vote in February and, hopefully, it would be unanimous because we all represent the same constituents and that this is going to be the best thing. He felt it would be reflective of how we continue to work this year. He felt it was important to have collaboration and trust each other.

After discussion, the motion to continue the resolution to the February 26, 2015 PACOG meeting was passed by a 10-1 vote, with Mr. Quigley opposing the motion.

DRAFT LETTER OF SUPPORT FOR WORKING WITH FRONT RANGE RAIL ON GETTING FRONT RANGE RAIL FROM CHEYENNE TO TRINIDAD

Mr. Scott Hobson, MPO Administrator, reported in November 2014, Mr. Dave Ruble provided a presentation on commuter/intercity rail service in the future, utilizing existing Union Pacific and Burlington-Northern railroad tracks. He provided a draft letter of support for PACOG to approve. Staff has made some modifications so that it ties more to Pueblo and Southern Colorado. The letter also includes that we will work with the Front Range Rail group on their efforts in the future for this project.

It was moved by Sal Pace, seconded by Roger Lowe, and passed unanimously to approve the letter of support for the Front Range Rail from Cheyenne to Trinidad and authorize the signature of the PACOG chair.

REGIONAL TRANSPORTATION AUTHORITIES LOCAL FUNDING MECHANISMS FOR ROADS

Mr. Rob MacDonald, Executive Director, Pikes Peak Area Council of Governments, reported in 2004, El Paso County passed by a 54.92% vote a 1¢ sales tax for a Regional Transportation Authority. The projection at the time was \$69 million for the first year, but they didn't quite get there. He stated this caused consternation. The Department of Revenue, who collects the sales tax, had a typo and people were giving the money to the RTD in Denver. He stated almost everyone was on board with this. They crossed political spectrums and every ideology, noting everyone wanted to take "transportation by the horns" and fund it. He stated Pikes Peak United Way did the survey, and it turned out transportation was the number one issue. He stated they started doing this in 2002, noting it was a two-year timeline. From December 2002 to July 2003, the County Administrator came to the PPACG board and suggested a 25¢ sales tax for transportation and the result was "nothing". Nothing happened until July when the citizen board and the Chamber of Commerce got involved and they brought in United Way leadership, who began to figure it out. They took it away from the governments and said they would "sell" it. The CTAB in Colorado Springs is the citizen's board for the city and the HAC (Highway Advisory Committee) for the county, noting they put the projects together. Colorado Springs and El Paso County got together in January 2004 before the

vote in November. Community summits were done and this is where they ironed out how much would be set aside for transit, capital, and road and bridge maintenance. United Way took another survey and the voters were on board. In April 2004, a Coalition Survey was done before they invested in it and went to the campaign to make sure and the numbers came back fine. The final Intergovernmental Agreement (IGA), which included Colorado Springs, El Paso County, Manitou Springs, and Green Mountain Falls agreed to the ballot and how it was going to be formed, which is now the PPRTA, which is now under the State law or Regional Transportation Authority law. He stated they did theirs under the Rural Transportation Authority law because Colorado Springs is very rural. The "rural" comes from the State Legislature, noting everything outside of Denver is rural. The law was changed a few years back, but they are still the Rural Transportation Authority. On September 7, 2004, there was a kickoff campaign, which is sort of late, but there were community forums, summits, etc. done by the business and nonprofit community selling it. He stated they looked nationally at what it took to pass something of this magnitude in their area. They did everything (i.e., traffic congestion crisis, sponsorship by business community, etc.), but they did not raise over \$1 million to fund the campaign. He stated they raised around \$380,000. He stated doing the national research really helped. He stated he lets communities know if they want to do this that they look at the PPACG website, and put their own local spin to it. PPACG early on was the one to run it under contract to this new government. PPRTA is its own government. They get all the sales and use tax. He stated there is no staff, but since he was a former consultant he was able to get it all together and worked with attorneys on doing this. He stated there was no playbook except the IGA, which was negotiated amongst four governments. PPACG is a neutral agency. He stated El Paso County and Colorado Springs are over their TABOR limitations after 10 years. The money comes through the PPACG and they write the check, which is given to the contractors, noting it doesn't get on the books of the local governments, and this way they don't have to go to any election every year and ask to keep the money. Mr. Kogovsek stated it could be de-Bruced. Mr. MacDonald replied Colorado Springs and El Paso County de-Brucing prospects are very low. They also have a City charter they would have to get by. It was easier to hire PPACG. PPACG is the fiscal agent, who gets the money from the Department of Revenue who collects it. He stated they sent out 16,000 letters to all sales tax vendors to make sure that they were sending it to RTA and not RTD. Two million dollars was received immediately, and \$2 million per month ever since then. Beyond PPACG, they also have a legal team, who is an independent firm, as well as the auditor. Nine clean audits have been completed, noting the 10th is coming up in two months. Public communication was pushed back to the local governments. If you are building the project (city, county, town), it is yours to go sell it and have the public meetings.

Mr. MacDonald stated the Town of Ramah has since joined the RTA. He stated the allocation of funding is by population. Even though the Town of Ramah doesn't collect any sales tax, it is still going to get their money for maintenance. Because they joined late, under the terms of the IGA, they were not allowed to get a capital project, but they do get maintenance. In the renewal, the Town of Ramah got two \$60,000 capital projects. He stated Calhan missed joining by one vote. The revenue is split 55% for capital projects listed in the ballot issue (with a 10-year sunset for each ballot), 35% for maintenance (bridges, roads, sidewalks), and 10% for transit. He stated the percentages are up to you. The board of directors started as an equal partnership with the City of Colorado Springs and El Paso County with three votes each, and one each from the City of Manitou Springs and the Towns of Green Mountain Falls and Ramah.

They do not have weighted votes. There is a 17-member citizen advisory committee--some from local governments and some citizens, noting the geography of the members are taken into consideration. He stated a new government was created in five months. It is now a five governments/three programs/one regional entity. The first year budget was \$65 million. In 2014, the budget was \$155 million. There is currently \$98 million in the bank, noting there is no debt on it. There is money waiting on project designs and programs to go out to bid. He stated part of the rollover is transit, which has \$22.9 million waiting to be spent. He stated \$560 million of projects/programs have been funded to date. The 45 projects are on the "A" list, which were listed on the ballot, noting they are either done, under construction, or in final design. He emphasized there is no staff, noting everyone is contracted. The limit in the State law is 1% administration, and it is impossible to meet that. PPACG does 70% of that 1%. He stated the way to do it is to rely on the local governments, who know how to procure projects. Once done, the local government owns it, they procure, their staff hires everyone, and they do all the financing. All they need to do is send PPACG the bill. He stated in 2012, almost 80% of the voters approved the ballot issue. The 10-year capital list was reprinted totally \$380 million. He stated all of the 45 projects which were on the previous ballot have all been done or about to be done. They are now looking at \$700 million in revenues which have been projected from 2015-2024. He stated their money is free and clear of any restrictions. He stated they anticipate building \$760 million in capital projects through 2024, or \$380 for first 10 years and \$380 for the second 10 years. He stated \$12.6 million was added for capital transit projects. He stated this is all cash, noting they are not going to bond. Maintenance will receive \$245 million every 10 years. Transit is \$70 million, but it is projected to go to \$80 million every 10 years. He provided the budget which showed how it works. The 2014 sales and use tax revenue projection was \$76 million and it increased by \$3 million for a total projected 2015 sales and use tax revenue of \$79 million, noting there is a two-month lag from the Department of Revenue on the sales and use tax revenue. There is an additional \$180,000 in estimated interest or .4%. There are sales and use tax collection costs and PPRTA administrative costs. He stated the first time this was placed on the ballot, El Paso County donated the ballot costs, but did not do at this last election and it cost them \$500,000. He stated a minimum of 10% reserve is placed in the bank (3% TABOR and 7% set aside by the board at its discretion). He said everyone knows how the money is split. He stated the 2010 Census is used for the percentages, noting the numbers are fixed. He stated there is approximately \$43 million of new money every year to do capital projects. He stated most of these projects are done in two years. The transit allocation is new money every year. He stated the revenue received through transit for all the fares which Colorado Springs receives goes back through the PPRTA budget. He stated the results show it was a good strategy that it would take two years to get everything done. Fundraising was not such a big deal because it is a single purpose election. Good timing also helped. He stated it also helped that the voters got what they were promised.

Ms. McFadyen stated when the RTA statutes were amended to include metropolitan districts one of the questions that came up logistically was how to collect the sales tax. It was determined that the boundaries are defined for a metropolitan district. She asked if the boundaries of the Towns of Green Mountain Falls and Ramah are defined for sales tax collection. Mr. MacDonald replied in the IGA it was their corporate limits. This was placed on a map and the addresses were given to the Department of Revenue who matched it up and said it was fine. The Department of Revenue almost did a reverse and said all of El Paso County except Calhan, Palmer Lake, and some others. He stated letters were sent to all sales tax vendors across the county. He stated their first

estimate numbers were \$58 million, not \$69 million, and they eventually got to \$65 million. Ms. McFadyen stated some of the logistics take two years to figure out. Mr. MacDonald replied that they helped the cities of Fort Collins and Greeley to try to do this. Where they got stuck was on the split, and they couldn't agree on the numbers. Ms. McFadyen asked if they decided to comingle the direct Federal dollars that come to them because they are a TPR. Mr. MacDonald replied prohibition IGA with no HUTF funds. PPACG gets all of the Federal and State money in its TIP. He stated the RTA projects are shown in their TIP. The only comingling is done by the local governments.

Mr. Pace felt if Pueblo could do an RTA it would solve all of Pueblo's problems. He asked if there is a key ignition that was instrumental in getting this going. Mr. MacDonald replied yes. He stated they couldn't rely on the Federal and State transportation funds to do what they needed done. He stated they decided to raise it themselves. Mr. Pace stated he requested this presentation because someone from CDOT told him about the possibility of forming a RTA in Pueblo for such projects as the Southwest Chief. Mr. MacDonald stated the IMPACT 64 group was looking for a State-wide transportation funding mechanism, but there was a "pause directive" about having all of these RTAs pop up and then expect the State-wide voters to say sure to another 1¢ sales tax on top of it. Mr. Pace stated CDOT is now saying that the only way they are going to do it is if all the metropolitan counties get together and create a new highway RTA. He asked what the early leadership was comprised of before the vote. Mr. MacDonald responded the issue is not the list of projects, but how do you sell it. The Pikes Peak United Way chose to take this on and went around to other leadership and nonprofits. They went to the business community to help sell it. It started with all the government folks around the table, but where it ended was the government folks were in the back. It was then decided the leadership would be the non-government folks. Government can't sell it as well as the nonprofits and the business community. He stated both Republicans and Democrats agreed that this was needed. Both local newspapers agreed and provided editorials. He stated looking in retrospect it was the right thing to do. He stated some of the CDOT projects in the area were funded by the PPRTA, and it is anticipated that this will happen again. He stated CDOT has been great in working to get projects done, but the RTA is being used a little to backfill. He stated the RTA projects cannot be changed unless you go back to the voters.

Mr. Flores asked how the line item per capital was defined--is it just limited to transit, transportation, etc.? Mr. MacDonald answered it is however you define it. Their definition of capital is whatever is on the list, and it is defined upfront.

Ms. McFadyen stated something in PACOG's favor is that it was collaborative and agreed to work with CDOT more comprehensively, and is now finally going to see projects done.

TRANSPORTATION COMMISSIONER/CDOT REGION 2 DIRECTOR'S REPORT

Acting Chairman Brown stated Mr. Bill Thiebaut, the Region 2 Transportation Commissioner, were previously emailed to the members. For the record, they are as follows:

- He did not have any comment about the Transportation Committee (TC) meeting of December, 2014. However, this month the TC will be meeting on Thursday, January 22, to discuss, among other things, State-wide bridges. For example, he was

anxious to support pre-construction funding of two important bridges in Region 2: SH71 over the Arkansas River (\$1 million +), and SH96 over Rush Creek (over \$500,000). This is compelling because the TC also will be discussing funding for and governance of the I-70 East viaduct in Denver, a project expected to cost in excess of \$1 billion. He anticipated a special TC meeting in early February to deal with the delivery method of this huge project.

- This is the last TC meeting that the current Executive Director, Don Hunt, will be attending. His successor will begin as Executive Director in February.

Mr. Dan Dahlke, the local CDOT Resident Engineer, introduced Matt Jayhoe, who is the new CDOT Traffic Engineer replacing Ms. Jin Hu.

Acting Chairman Brown asked when the stormwater project on 4th and Santa Fe would be done. Mr. Dahlke stated he did not have an answer, but would check into it.

STATUS OF THE IMPLEMENTATION OF THE TIGER GRANT FOR THE SOUTHWEST CHIEF

Mr. Sal Pace, County Commissioner, stated in the interest of time that he would be willing to place this item on the February agenda.

MPO STAFF REPORT

(A) Administrative Amendment

Mr. Scott Hobson, MPO Administrator, reported there is one Administrative Amendment notification, which deals with the Dillon Drive flyover, adding \$567,115 of local funds. These are City HUTF funds which were committed to make up the difference between the engineer's estimate and what the bids came in. This number was derived through a reduction in the contingency amount for the project. The project is close to being awarded and they are looking at construction in spring to summer this year. It should be completed in two years.

(B) CDOT Region 2--Joint MPO and TPR Priorities Program Funding for FY 2016-FY 2025

Mr. Hobson reported in their packets was an updated list of the TIP items that will be in the Long Range Transportation Plan. The main thing to look at is the major change in the reduction of \$60 million in Senate Bill 228 funds. One project was funded for I-25 and another for a portion of U.S. 50 West. This is a \$60 million reduction from the \$160 million which was originally in the grant. They ultimately ended getting \$10 million more for another segment of I-25 that was included in the 2025 to 2040 segment, and there were some minor adjustments in the timing of projects over the 10-year capital program or 2016-2025. Ultimately, they came up with \$10 million more in projects. Next month there will be some additional tweaking of the Regional Priority Program (RPP) funds. They will not lose any projects and the total number of projects will stay in the TIP. There may be some adjustments in the years. For example, they may have some that were originally in 2016 and may be moved to 2018. It doesn't mean the projects will be slowed down; it just means they have to balance the allocation of RPP money for our region. It will be the same number of projects which is 10 projects in the first four years (2016-2019), eight projects (2020-2026), and nine projects in the remaining 15 years of

the TIP. An update will be provided at the next PACOG meeting and there will be minor adjustments.

(C) Projects Scheduled for Construction 2015-2017

Mr. Hobson referred PACOG to a list of the projects they have that are set for construction between 2015 and 2017. It totals about \$160 million within Pueblo County. The list includes I-25 sections and U.S. 50, as well as all the other State highways that have some level of projects that are set. One of the things is they are going to be working with CDOT is developing a program that notifies residents of when projects are starting and potential transportation impacts. He stated PACOG will not be taking the lead on this, but MPO staff will participate with the public affairs office at CDOT as these projects get going. He stated this will be highway construction at a level that people are not used to in our region.

Acting Chairman Brown stated East 4th Street is supposed to be paved from Albany, and he wondered if it was going to be done this year. Mr. Hobson answered no. They will do the improvements on the East 4th Street corridor between Erie and Hudson and following the completion of those, from the east side of the 4th Street Bridge where the project ended out to State Highway 47/96, this is the segment that will be repaved. It will not be done until after the East 4th Street project intersections are completed.

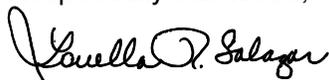
FUTURE AGENDA ITEMS

NOTE: There are two discussion items on the February 26, 2015 agenda, which are: (A) Discussion regarding PACOG Dues Structure and Expanding Membership; and (B) Discussion regarding the Stormwater Issue in Colorado Springs.

ADJOURNMENT

There being no further regular business before PACOG, the meeting was adjourned at 2:01 p.m. (Note: The next meeting is scheduled to be held on Thursday, February 26, 2015, at the Pueblo County Department of Emergency Management, 101 West 10th Street, 1st Floor Conference Room.)

Respectfully submitted,



Louella R. Salazar
PACOG Recording Secretary

LRS

JOINT CITY COUNCIL AND BOARD OF COUNTY COMMISSIONERS' MEETING

Following the regular PACOG meeting, there was a joint meeting held between the Pueblo City Council and Board of County Commissioners to appoint four Joint City/County members and one Youth member to the Pueblo Human Relations Commission. The following persons were selected for the Pueblo Human Relations Commission for a three-year term expiring December 31, 2017: Troy Ard, Ann Batey,

Floyd Jaramillo, and Gary Weaver; and Ryan Madic was selected as the Youth Appointment for a one-year term expiring on December 31, 2015. These appointments will need to be ratified at each entity's respective meetings.