1. **Call to Order – 11:31 a.m.**
   - Board Members Present: Bonnie Trowbridge, Cris Jones, David Averill, Dawn Block, Kathy Young, Mark Garcia, Matt Frommer, Richard Coffin, Theresa Takushi
   - Also Attending: George Hypolite, Kay Kelly, Deseri Scott, Michael King, Jana McKinny, Peter Hadley, Kay Hruska, Sari Weichbrodt

2. **Purpose of Working Session**
   - Review the stakeholder feedback we have received to date including results from online surveys provided to the Transit Monthly, CEVC Transit Subgroup and DTR Staff.
   - Receive input from the board on Funding Strategies to finalize the Clean Transit Enterprise (CTE) 10 Year Plan.

3. **Policy questions related to applying CTE resources to the business purpose of the enterprise**
   - Funding Mechanisms: The 10 Year Plan will include all three funding mechanisms with an emphasis on grants in the early years. Loans and rebates can be used in the future as appropriate.
   - Funding Categories: No funding cap by category will be established in the 10 Year Plan. Planning and facility modifications will be prioritized in the early years. Charging and infrastructure and vehicle replacement will be emphasized in the latter years.
   - Chair Frommer: What is the ballpark cost of planning grants for Transit agencies?
   - Vice-Chair Averill: That depends on the size of the fleet and routes being analyzed. SMART’s feasibility study/transition plan was $47,000; it included four routes, plus fleet and identifying infrastructure needs.
   - Michael King: CDOT’s previous 2021 planning grant was approximately $50,000 per plan. For a larger agency $50,000-$100,000 would be a reasonable assumption.
   - Kay Kelly: There are approximately 80 transit agencies in the state. $50K each would be around $4 million. Over the course of the first few years it would be great to get all agencies into a transition plan. Planning could also include updates to transition plans.

   - Chair Frommer: How many of the 80 agencies have transition plans in place?
   - Michael King: Between 10 and 15 have a comprehensive plan. Early adopters might want to do a planning assessment or follow-up analysis to decide on the future direction.

   - Chair Frommer: I don’t want to deny vehicle replacement applications for agencies with no planning documents.
   - Director Blynn: I agree with not having strict caps, but we should strive to have a balance of projects in each round.
   - Vice-Chair Averill: Can we consider a risk-based approach? If the agency does not have planning documents but does have experience or can bring in someone with expertise can there be a mechanism to allow funding?

   - Michael King: Should the 10 Year Plan express an expectation (rather than a prioritization) that funding for planning and facility modifications will be more requested beginning and grants for vehicles and charging will predominate at the end, but that staff would apply a risk-based application-by-application approach for making that judgment. There will not be a specific cap or requirement per funding category, but we will have a process for making application-by-application decisions that maintain the project balance. We would have time after June 1st to talk about the board’s preferred way of managing that.
Chair Frommer: I agree, as long as we include that language in the 10 Year Plan. I think the risk is lower than 4 or 5 years ago. How big is the risk of failed projects?
Vice-Chair Averill: It might be a small likelihood and getting better each year. But what is the impact of a project failure? Wasted resources and political blowback.

- Project Prioritization: We will develop a weighted, multi-factor formula for scoring projects. Estimated emission reduction, service to disproportionately impacted (DI) communities, and agency readiness are the most heavily weighted factors. Match level, frequency of service and geographic diversity will also be considered.
  
  Chair Frommer: Please expand on the frequency of service.
  
  Michael King: It is more important to fund a bus that is running more frequently due to the emission reduction benefit.
  
  Chair Frommer: Isn’t that also included in the estimated emission reductions?
  
  Michael King: I will check to see if any transit agencies identified a different logic behind including frequency of service.
  
  Kay Kelly: I do think that is double weighting the emissions reduction criteria.
  
  Director Jones: Are we looking at new service versus replacement? A new service might not be replacing emissions from operating vehicles - it is replacing emissions from people that are driving.
  
  Chair Frommer: What goes into the estimated emission reduction calculation reduction? Avoided VMT or reduced diesel emissions from a vehicle replacement?
  
  Michael King: We can include factors for emissions reduction in the 10 Year Plan or we can keep it high level and discuss specifics in the future.
  
  Chair Frommer: CDOT is developing some GHG calculators for projects like this. The transportation commission will be reviewing them in the next few weeks.
  
  Director Takushi: We can keep this high level for the purpose of the 10 Year Plan. CDOT is establishing a tool for quantifying greenhouse gas (GHG) emissions from transit vehicles, factors include, but are not limited to, the type of ridership numbers and types of vehicles.
  
  Michael King: [from the chat] Another director suggests using CMAQ emission calculations. We want to be consistent across applicants and other state and federal programs.
  
  Director Coffin: Are scrapping requirements included in this portion of the presentation?
  
  Michael King: Scrapping or not scrapping could be factored into the emissions reduction calculation. Whether or not scrapping is required for the grantee is included later in the presentation.

- Applicant Planning Requirements: CTE planning requirements should meet the standards of FTA and consider ways to encourage agencies to go above and beyond that. Allowing agencies to apply for more (federal) funding sources in addition to CTE funds.
  
  Vice-Chair Averill: State funds could be used to match federal, Low-No and 5339 grants making our state money go even further. Every federal dime makes our state money go even further.
  
  Director Blynn: What are the federal requirements? Do they present a barrier for smaller agencies? We should have more flexibility for agencies that will never apply for a federal grant.
  
  Michael King: FTA requirements are a long-term fleet management plan, analysis of current and future financial resources, relevant policy and regulation impacting adoption, existing facility analysis, coordination with utility or fuel provider, and impacts on agency workforce.
  
  Chair Frommer: Aligning the CTE requirement with the FTA makes the most sense to me.
  
  Michael King: FTA requirement could be a minimum. Anything above and beyond would be a point in favor of the applicant.
  
  Kay Kelly: [from chat] Both CTE representatives from transit agencies, Vice-Chair Averill (SMART) and Director Block (La Junta), indicate everything on the FTA requirements is something that agencies should already be doing and likely are not a burden.

- Match Levels: First level match will be defined by geographic MMOF. Waivers will need board approval.
  
  Vice-Chair Averill: We should mimic the Multi-Modal Options Fund (MMOF). For agencies like us that have created our own Regional Transportation Authority, we tax ourselves and are an affluent community, but we are not eligible for a lower match even though we tax ourselves.
  
  Michael King: MMOF match levels are defined by the geography of the local government, correct?
  
  Director Garcia: MMOF percentages is a lengthy process to establish the grant limits through a subcommittee. Can we
waive match requirements in their entirety under certain conditions?
Michael King: Does MMOF have a process for addressing transit agencies that don’t line up with the geography of the MMOF formula?
Director Garcia: Counties often mirror the municipalities in percentage levels.
Michael King: We could have a geographic MMOF standard match defined as the first level, there would also be an option to lower or waive the match entirely for agencies. The board would make the assessment on those cases needing a waiver.
Director Coffin: I support Director Garcia’s idea. Can we provide a base percentage of funding for projects? Then applicants can receive additional funds through incentives (meeting utilization and increased ridership metrics). This would increase transit use as well as electrifying vehicles.
Michael King: VW grants were paid in two separate disbursements, allowing the agency to scrap the vehicle at a time that was convenient to them. A variable grant level based on utilization may be a contracting challenge. I would be happy to investigate that further.
Director Block: [from chat] Agree that the waiver would need board approval.

- Scrapping Requirement: Scrapping is not proposed as a requirement, but we will consider a hand-me-down system to encourage scrapping of the oldest vehicles and continued use of cleaner vehicles that haven’t met their useful service life at the time of replacement.
  No discussion
- Replacement Ratios: Avoid funding extra charging before vehicles arrive. A rebate-style program for additional chargers on previously funded projects to quickly expand capacity when agencies need it is possible.
  No discussion
- Data Reporting Requirements: Data will be collected on funded projects and used to inform and improve program design. Reporting requirements will align with national transit database requirements.
  No Discussion
- Additional items from stakeholder conversations:
  o Should the 10 Year Plan include approximate early dollar or percentage ranges for project categories?
    ▪ Board members suggest keeping it open
  o Should the 10 Year Plan include a reserve Level?
    ▪ Board members request a staff recommendation.
  o Should there be a process or funding pool for project cost increases (without requiring full re-application)?
    ▪ Board members are open to concept, but have questions. How did we estimate the revenue forecast? Deliveries spiked during COVID, will levels maintain or increase over time?
  o Should the CTE fund a staff member statewide on-call planning support?
    ▪ Board members indicate yes, for smaller agencies - but there should be a cap. Do we have the staff capacity already?
  o Will the CTE provide endorsements or letters of support from transit agencies?
    ▪ Board members suggest that applicants be encouraged to go through the state DOT (letter should come from CDOT Director or DTR) rather than the CTE.
Director Garcia: Yes, to all. What is your recommendation for an appropriate reserve level? Any support we can lend to agencies meeting our mission and goals we should support.
Vice-Chair Averill: I concur. On-call planning support would be great for small agencies that don’t have the capacity to manage a project in-house. Could there be a threshold related to the match requirements for project support? Letters of support might be best coming through CDOT and carry more weight coming from the CDOT Director or DTR.
Chair Frommer: Letters of support would mean more coming from the state DOT but I am open to that possibility. I would rather not put any ranges or percentages on project categories. I’d like to know how we estimated the 10-year funding forecast. Will levels maintain or increase, this will affect the funding pool? Is there a staff member in CDOT or
DTR that can provide project support?

4. Wrap Up and Next Steps

Kay Kelly: We expect the draft copy of the 10 Year Plan will be available to the board by Friday, May 20th. The final plan needs to be finished by June 1st.

Director Garcia: How are the other enterprises doing on their 10 Year Plans?

Kay Kelly: The CEO and CDPHE both engaged with contractors to write their 10 Year Plan. The reserve idea came from one of the other enterprises. For the most part, we have been pursuing the issues that have been brought to us by the CTE stakeholders.

Director Coffin: SB260 does not call out scrapping requirements specifically; but it says that grants, loans, and rebates should fund the electrification of transit as a remediation service. Most of the board was not supportive of scrapping.

Director Blynn made a comment about incentivizing scrapping and how they are doing that in New Jersey. The Transit ZEV Roadmap indicates CDOT had 486 diesel and gas-powered transit vehicles that exceeded their remaining service life. In the next five years that number goes up to 884. We should talk about getting those older buses out of service.

Kay Kelly: We can follow up with you offline before June 25th.

Chari Frommer: How are we defining the scope of facility upgrades, can this be included in the application guidance? Is it just electrification or square footage of bus depots? Could we have more information on the MMOF, how does the geographic distribution work? The CTE should have tight requirements regarding RNG vehicles since there is a risk they become CNG vehicles.

Director Garcia: Are the other enterprises using MMOF for grant match?

Kay Kelly: Our next meeting is on May 25th.

Meeting Adjourned: 1:00 pm