



# COLORADO

## Department of Transportation

Nonattainment Area Air Pollution  
Mitigation Enterprise

BOARD OF DIRECTORS MEETING | DECEMBER 7, 2022 | 3:00 PM - 4:30 PM

---

### SCHEDULE AND AGENDA

- |      |  |                          |
|------|--|--------------------------|
| I.   | <b>Convene Meeting &amp; Roll Call</b><br><i>Kristin Stephens, NAAPME Chair</i>  | <b>3:00 PM - 3:05 PM</b> |
| II.  | <b><i>Decision Item:</i></b><br><b>Approval of Minutes from the October 27, 2022 Board of Directors Meeting</b><br><i>Kristin Stephens, NAAPME Chair</i> | <b>3:05 PM - 3:10 PM</b> |
| III. | <b>Presentation on CDOT Environmental Justice Initiatives</b><br><i>Marsha Nelson, CDOT Chief Equity Officer</i>   | <b>3:10 PM - 3:40 PM</b> |
| IV.  | <b>2022 Annual Report</b><br><i>Darius Pakbaz, NAAPME Program Administrator</i>  | <b>3:40 PM - 3:50 PM</b> |
| V.   | <b>Enterprise Program and Financial Update</b><br><i>Darius Pakbaz, NAAPME Program Administrator</i>   | <b>3:50 PM - 4:10 PM</b> |
| VI.  | <b><i>Decision Item:</i></b><br><b>Future Board of Directors Meetings</b><br><i>Darius Pakbaz, NAAPME Program Administrator</i>                          | <b>4:10 PM - 4:15 PM</b> |
| VII. | <b>Adjournment</b><br><i>Kristin Stephens, NAAPME Chair</i>  | <b>4:15 PM - 4:20 PM</b> |

Next Governing Board Meeting: January 26, 2022 at 3:00PM



**COLORADO**

**Department of Transportation**

Nonattainment Area Air Pollution  
Mitigation Enterprise

**Nonattainment Area Air Pollution Mitigation Enterprise - Meeting Minutes**

Board of Directors Meeting  
October 27, 2022  
Location: Virtual

Recording: Please note, due to technical issues, this video has been edited.

[YOUTUBE VIDEO](#)

**Attendance**

**Present**

Vice Chair Lynn Baca  
Jessica Ferko  
Yessica Holguin  
Herman Stockinger  
Stacy Suniga

**Excused**

Chair Kristin Stephens  
Leanne Wheeler

**NAAPME Staff**

Jenni Fogel  
Darius Pakbaz  
Rebecca White

Guest: Kathy Young, Colorado Attorney General's Office

- I. **Convene Meeting & Roll Call** ([Video 0:21](#))  
*Chair Stephens was excused and due to technical issues Vice Chair Baca was experiencing, Darius Pakbaz, NAAPME Program Administrator, convened the meeting and conducted Roll Call.*
- II. **DECISION ITEM:** ([Video 1:39](#)) Approve September 29, 2022 Minutes; motion made by Director Stockinger, seconded by Director Suniga. Motion passes, no opposition; Director Holguin abstained due to absence from last meeting.
- III. **DECISION ITEM:** ([Video 3:04](#)) Board Approval to seat Director Ferko and Director Stockinger; motion made by Director Suniga, seconded by Director Holguin. Motion passes, no opposition.
- IV. **Program Administrator Update:** ([Video 4:56](#)) Darius Pakbaz, NAAPME Program Administrator:

Upcoming meeting topics and presentations:

- Presentation on Environmental Justice Efforts in CDOT - Marsha Nelson
- Presentation on Tolling in EJ Communities along Central 70 - Simon Logan
- Presentation on CDOTs role in proposed BRT corridors in Denver Metro Area - Angie Drumm
- Presentation on how local communities manage grant funds - TBD
- Presentation on BRT programs in the North Front Range region - TBD
- Continued discussion on coordination with other Enterprises - TBD
- Update on Safe Routes to School Program and allocation for High School students - TBD

Upcoming Enterprise Administration:

- Discussion on Enterprise fiscal rules - Jeff Sudmeier and Kay Hruska
- Continued updates on revenue collection and enterprise expenses - Darius Pakbaz
- Review NAAPME 2022 Annual Report (due to Transportation Commission in December 2022) - Darius Pakbaz
- Enterprise Public Accountability Dashboard - Darius Pakbaz
- Updates to the Enterprise 10-Year Plan - Darius Pakbaz

Discussion:

**Dir. Stockinger:** particularly interested in the BRT programs; seems like a great fit for this body. Hopes that what's currently being planned by CDOT and North Front Range can coordinate.

**Dir. Ferko:** asked about coordination with the other new Enterprises created along with this one through SB260. AG Young reminds the group that due to a lawsuit this topic cannot be discussed at this time.

**Dir. Suniga:** Agree with Dir. Stockinger, curious about the timeline for these discussions/decisions. Administrator Pakbaz suggests January or February of 2023.

(Due to technical issues, the group agrees to nominate Dir Suniga to chair the rest of the meeting; Dir. Suniga accepts. [\(Video 15:50\)](#))

- V. **Enterprise Financial Update:** Darius Pakbaz, NAAPME Program Administrator [\(Video 16:49\)](#) The enterprise continues its collection of revenue from the retail delivery fee, which is 7/10 of a cent; amount collected in September 2022 was \$328,812. The rideshare fee will not be reported until December (reported quarterly).
- Enterprise expenses (approx. \$23,000) to date have been covered by the startup loan from CDOT, remaining revenue proceeds \$51,000.
  - No follow-up discussion.

VI. **DECISION ITEM: FY2023-24 Draft Budget Review and Approval**

Darius Pakbaz, NAAPME Program Administrator ([Video 21:40](#))

We're trying to realign the Enterprise budgeting process with CDOT's budgeting process, so that budget can be included in the overall budget packet that's sent to the State Legislature and to the Governor's office for approval.

Proposed FY 23-24 Enterprise Budget:

- Aligning enterprise budget cycle to CDOT budget cycle
  - Enterprise budget included in CDOT overall budget allocation plan for the fiscal year.
  - Proposed Budget approved in November 2022 for FY 2023-24 to submit to the joint Budget Committee by December 15, 2022.
  - Final budget allocation plan to be presented to the Board in March, for submission to the Governor on April 15, 2022.
- Total Revenue Allocation for FY 2023-24: \$8,481,351
  - Allocation for Enterprise Programs and Projects: \$8,285,353.
  - Allocation for Enterprise Administration and Operations: \$196,278.
  - No Allocation for Debt Service and Contingency Reserve for FY 2023-24.
- Total Roll-Forward of allocations from FY2023-24: \$6,925,729.75
  - Anticipating all of the program funds to roll-forward as revenue collection continues - \$6,621,089.75.
  - Roll-forwards of unspent Administration and Operations funds: \$104,640.
  - Roll-forwards of contingency reserve allocated in FY 2022-23: \$200,000.

Adjustments from the original 10-Spending Forecast

- Programmed Funds Allocation Increased by \$29,640
  - Increase in program funds due to reductions in Enterprise administration and operations line items.
- Staff Salary Allocations Reduced
  - Staff salaries line items reduced by \$25,390, due to anticipated roll-forwards of unspent revenue from fiscal year 2022-23.
  - Reduction of 40 percent from initial spending forecast.
  - Reduction request due to use of the remainder of enterprise initiation loan from CDOT, and workload for positions during initial revenue collection and enterprise program initiation.
  - Anticipate increased use of staff as revenue collection increases, program initiation decisions finalized, and for other projects required by statute.
- Board Support Allocations Reduced
  - Board meeting expenses line items reduced by \$4,250, due to anticipated roll-forwards of unspent allocations from fiscal year 2022-23.
  - Reduction of 72 percent from initial spending forecast.

- o Reduction request due to no in-person meetings scheduled for calendar year 2022, anticipating continuing virtual meetings for most of the rest of fiscal year 2022-23.

Discussion:

**Dir. Ferko:** After we approve this plan, are you saying it goes to CDOT for their review and approval, or just to house the plan?

**Administrator Pakbaz:** they don't approve it, they only "house" it—we have fiscal autonomy. After the initial approval today we'll look at expenditures and revenue forecasts going forward to see how those match up and see if there's any adjustments that need to be made.

**Dir. Holguin:** Can you explain the 40% reduction from the initial forecast?

**Administrator Pakbaz:** CDOT staff salaries to administer the Enterprise were not as high as we anticipated due to vacancies and part of the expenses were covered by the start-up loan. As the programs get established, we expect an increase in staff time.

**Approval of FY 2023-24 Draft Budget:** motion made by Director Ferko, seconded by Director Holguin. Motion passes, no opposition.

VII. **DECISION ITEM: Approval for Repayment of CDOT Loan** Darius Pakbaz, NAAPME Program Administrator [\(Video 30:16\)](#)

Loan Details:

- Interagency Loan Agreement 22-HAA-ZH-00054
  - o Purpose: to defray expenses incurred by NAAPME before it receives fee revenue
  - o Total Loan Amount: \$74,700.00
  - o Interest Rate: 2.00%
  - o Payment required on or before June 30, 2023: \$76,486.25
- Enterprise has collected \$328,812 in total fee revenue as of October 20, 2022, reporting, enough to repay the loan and satisfy terms of the agreement.
  - o Enterprise has enough revenue to operate on its own, as fee revenue continues.
- Staff is asking the Board to approve the following motion:

*“Motion to instruct and authorize the Nonattainment Area Air Pollution Mitigation Enterprise staff to repay the Colorado Department of Transportation \$76,486.25 to fulfill the terms of Interagency Loan Agreement. Additionally, instructs enterprise staff to transfer any remaining loan proceeds to the enterprise program fund balance.”*

Discussion:

**Administrator Pakbaz:** If the board approves the repayment today, we will instruct staff to move the Enterprise program fund balance, which is around fifty thousand dollars to CDOT.

**Dir Ferko:** To clarify we'd pay off the total loan (\$75k) and the remaining funds to the Enterprise.

**Administrator Pakbaz:** correct.

**Approval for Repayment of CDOT Loan:** motion (as written) made by Director Stockinger, seconded by Director Holguin. Motion passes, no opposition.

VIII. **Discussion of Future Meeting Cadence, Darius Pakbaz, NAAPME Program Administrator** ([Video 36:17](#))

Board selects December 7, 2022, as the next meeting

Future meeting dates:

- o Thursday, January 26, 2023, at 3:00PM
- o Thursday, February 23, 2023, at 3:00PM
- o Thursday, March 30, 2023, at 3:00PM
- o Thursday May 25, 2023, at 3:00PM—Possible in-person meeting
- o Thursday June 29, 2023, at 3:00PM

IX. **Conclude Meeting/Next Steps, Kristen Stephens, NAAPME Chair** ([Video 40:12](#))

Meeting adjourned @ approximately 4:15 pm

Next Meeting: December 7, 2022 at 3:



# COLORADO

## Department of Transportation

Nonattainment Area Air Pollution  
Mitigation Enterprise

COLORADO NONATTAINMENT AREA AIR POLLUTION MITIGATION ENTERPRISE

# REGISTRY OF ACTIONS

October 27, 2022

Action Number	Action	Decision
2022-17	Approval of September 29, 2022 minutes <ul style="list-style-type: none"><li>• Motion made by Director Stockinger</li><li>• Seconded by Director Suniga</li><li>• Director Holguin abstained</li><li>• Passed without further discussion</li></ul>	Approved
2022-18	Board Approval to seat Dir. Ferko and Dir. Stockinger <ul style="list-style-type: none"><li>• Motion made by Director Suniga</li><li>• Seconded by Director Holguin</li><li>• Passed without further discussion</li></ul>	Approved
2022-19	FY2023-24 Draft Budget Review and Approval <ul style="list-style-type: none"><li>• Motion made by Director Ferko</li><li>• Seconded by Director Holguin</li><li>• Passed without further discussion</li></ul>	Approved
2022-20	Approval for Repayment of CDOT Loan <ul style="list-style-type: none"><li>• Motion made by Director Stockinger</li><li>• Seconded by Director Holguin</li><li>• Passed without further discussion</li></ul>	Approved

Nov 3, 2022

Jennifer Fogel, Secretary  
Nonattainment Area Air Pollution Mitigation Enterprise

Date

# Nonattainment Area Air Pollution Mitigation Enterprise



**COLORADO**

Department of Transportation

**Nonattainment Area Air Pollution Mitigation Enterprise**

*Board of Directors Meeting  
December 7, 2022*





# Meeting Agenda

**DECISION  
ITEM**

**DECISION  
ITEM**

- |      |  |                        |
|------|--|------------------------|
| I.   | <b>Convene Meeting &amp; Roll Call</b><br><i>Kristin Stephens, NAAPME Chair</i>  | <b>3:00PM - 3:05PM</b> |
| II.  | <b>Approval of Minutes from the October 27, 2022 Board of Directors Meeting</b><br><i>Kristin Stephens, NAAPME Chair</i> | <b>3:05PM - 3:10PM</b> |
| III. | <b>Presentation on CDOT Environmental Justice Initiatives</b><br><i>Marsha Nelson, CDOT Chief Equity Officer</i>         | <b>3:10PM - 3:40PM</b> |
| IV.  | <b>2022 Annual Report</b><br><i>Darius Pakbaz, NAAPME Program Administrator</i>  | <b>3:40PM - 3:50PM</b> |
| V.   | <b>Enterprise Program and Financial Update</b><br><i>Darius Pakbaz, NAAPME Program Administrator</i>                     | <b>3:50PM - 4:10PM</b> |
| VI.  | <b>Future Board of Directors Meetings</b><br><i>Darius Pakbaz, NAAPME Program Administrator</i>                          | <b>4:10PM - 4:15PM</b> |
| VII. | <b>Adjournment</b><br><i>Kristin Stephens, NAAPME Chair</i>  | <b>4:25PM - 4:30PM</b> |



## DECISION ITEM

# Approval of Minutes from the October 27, 2022 Board of Directors Meeting

*Kristin Stephens, NAAPME Chair*



# Presentation on CDOT Environmental Justice Initiatives

*Marsha Nelson, CDOT Chief Equity Officer*



**COLORADO**

Department of Transportation

**EQUITY360**



Waze to Connect the DOT



# Senate Bill 260 and the CDOT Equity & Environmental Justice Branch

- Passed in Spring 2021
- Required creation of an Equity & Environmental Justice Branch to:
  - Work directly with disproportionately impacted communities
  - Work with other department programs in project planning, environmental study and project delivery phases of transportation capacity projects
  - Identify and address technological, language, and information barriers that may prevent disproportionately impacted communities from participating fully in transportation decisions that affect health, quality of life, and access for disadvantaged and minority businesses in project delivery.
- Chief Equity Officer hired December 2021 to lead the Equity and Environmental Justice Branch in achieving these tasks.

*Learn more at <https://leg.colorado.gov/sb21-260-bill-summary>*



# Scenic Tour through Equity & Environmental Justice Branch

Equity & Environmental Justice Branch

## Workforce

Establishing a diverse applicant pool & linking people to work-based learning to help them be successful

## Environmental Justice

Integrates community engagement & outreach into planning & project delivery processes to impact agency decisions

## Nondiscrimination Compliance

Project delivery & compliance: Ensures compliance with regulatory requirements (state & federal)



# First Stop

## Civil Rights & Business Resource Center



### Civil Rights and Business Resource Center

#### Project Delivery

#### External Programs

Small Business Compliance (DBE and ESB Program)

Labor Compliance (Certified Payroll)

Subrecipient project oversight

Title VI

ADA Title II

Prompt Payment (subcontractors, subconsultants, vendors, and suppliers)

On-The-Job Training Program



Emerging Small Business





## Increased Strategic Community (public citizens & traveling public)



### Engagement & Outreach to Impact Decision Making

Bridge connections  
between  
community &  
agency

Individuals, community-based organizations, other public agencies, students, and academia

Robust training series for CDOT personnel on Transportation Equity and Environmental Justice expectations

Develop CDOT Environmental Justice expectations for projects

To include equity analysis and LEP (language translation) requirements

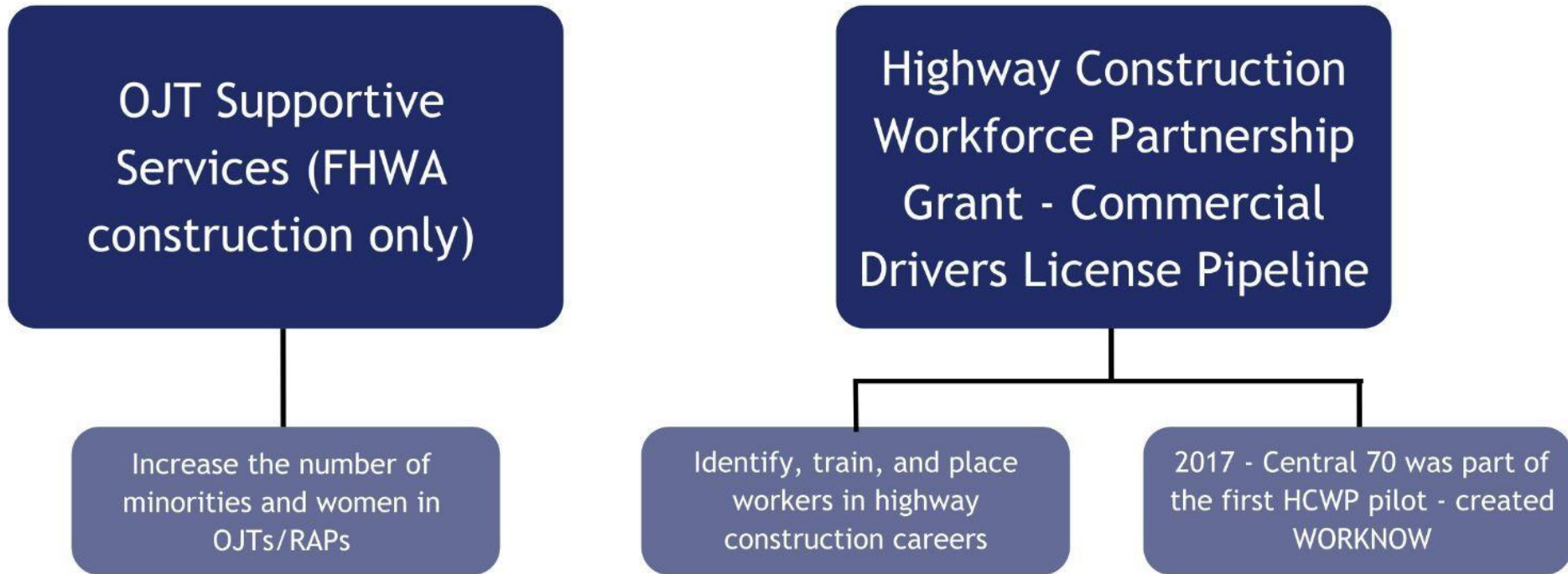
Increased integration in planning efforts

Leverage recent restructure of planning process to ensure Environmental Justice is incorporated early





### Helping develop the highway construction labor workforce through work-based learning, training, and other methods:





# Charting a New Course



A journey focused on integrating and connecting all of CDOT



# Introducing



## What is EQUITY360?

EQUITY360 describes an agency mindset and philosophy that establishes a holistic approach toward integrating equity, inclusion and diversity principles into processes, procedures and programs that directly impact the residents, businesses and visitors in which CDOT serves. This philosophy will guide the Equity & Environmental Justice Branch in developing strategic plans and initiatives over the next 3-5 years to embed EDI principles into the CDOT organizational culture, in partnership with the Internal Inclusion Excellence team.

### Mission:

Develop the best and most efficient route to equity, inclusion and cohesiveness.





# Guiding Principles

In addition to the CDOT Mission, Vision, and Values, EQUITY360 will integrate the following guiding principles in its execution:

## Proactive Compliance

Strive for 100% comprehensive compliance on all Federal and State laws and regulations, which require 100% of department and subrecipients to comply 100% of the time

## Creativity & Innovation

Embrace change.  
Be courageous. Envision an equitable and inclusive future.  
Challenge the status quo and drive creative transformation through experimental discovery.

## Knowledge

Embrace challenging processes and seek to understand different perspectives and experiences to achieve improvements. Develop measures that lead to equitable outcomes.

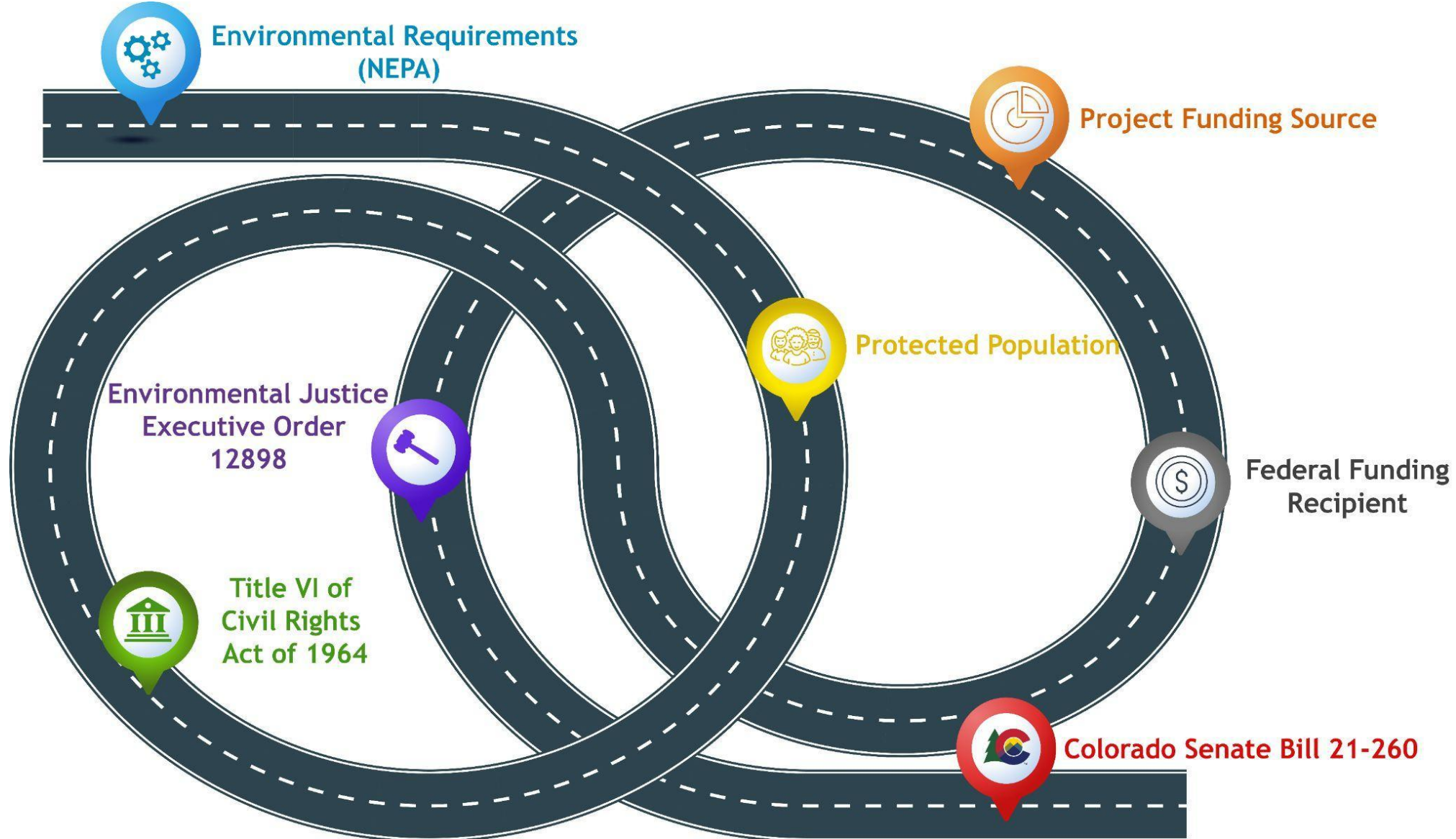
## Humility & Respect

Exemplify intellectual honesty. Treat others and opinions with honesty, dignity, respect, and sensitivity. Appreciate and embrace the value of diversity.



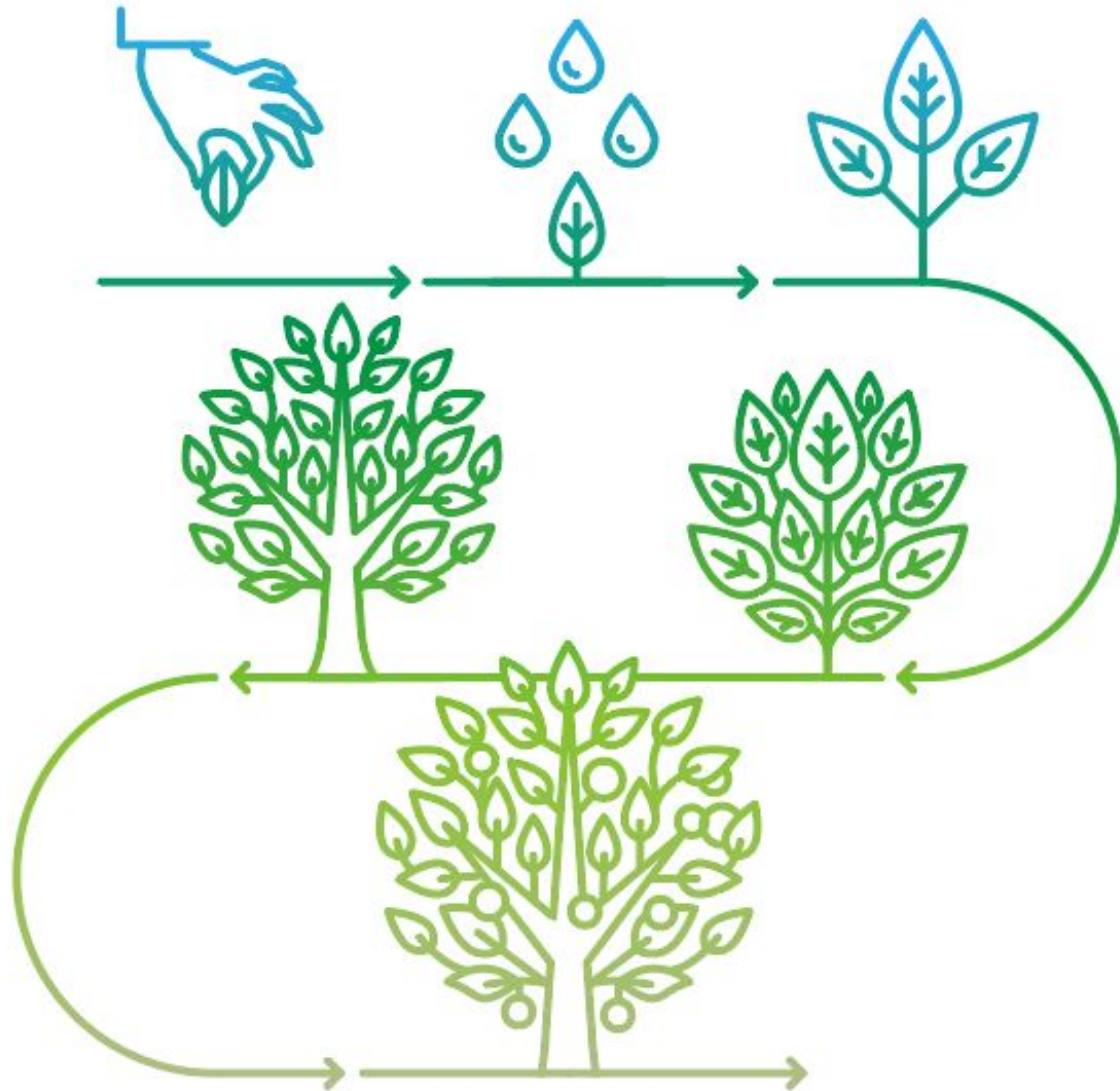
# Navigating Requirements

Challenge & Opportunity





# Moving Beyond Compliance



With EQUITY360, CDOT is empowered to go beyond simply navigating regulations. This agency has an opportunity be a leader for Colorado through cultivating equity, diversity, and inclusion on a holistic, statewide level.



# Phase I: Establishing Roots





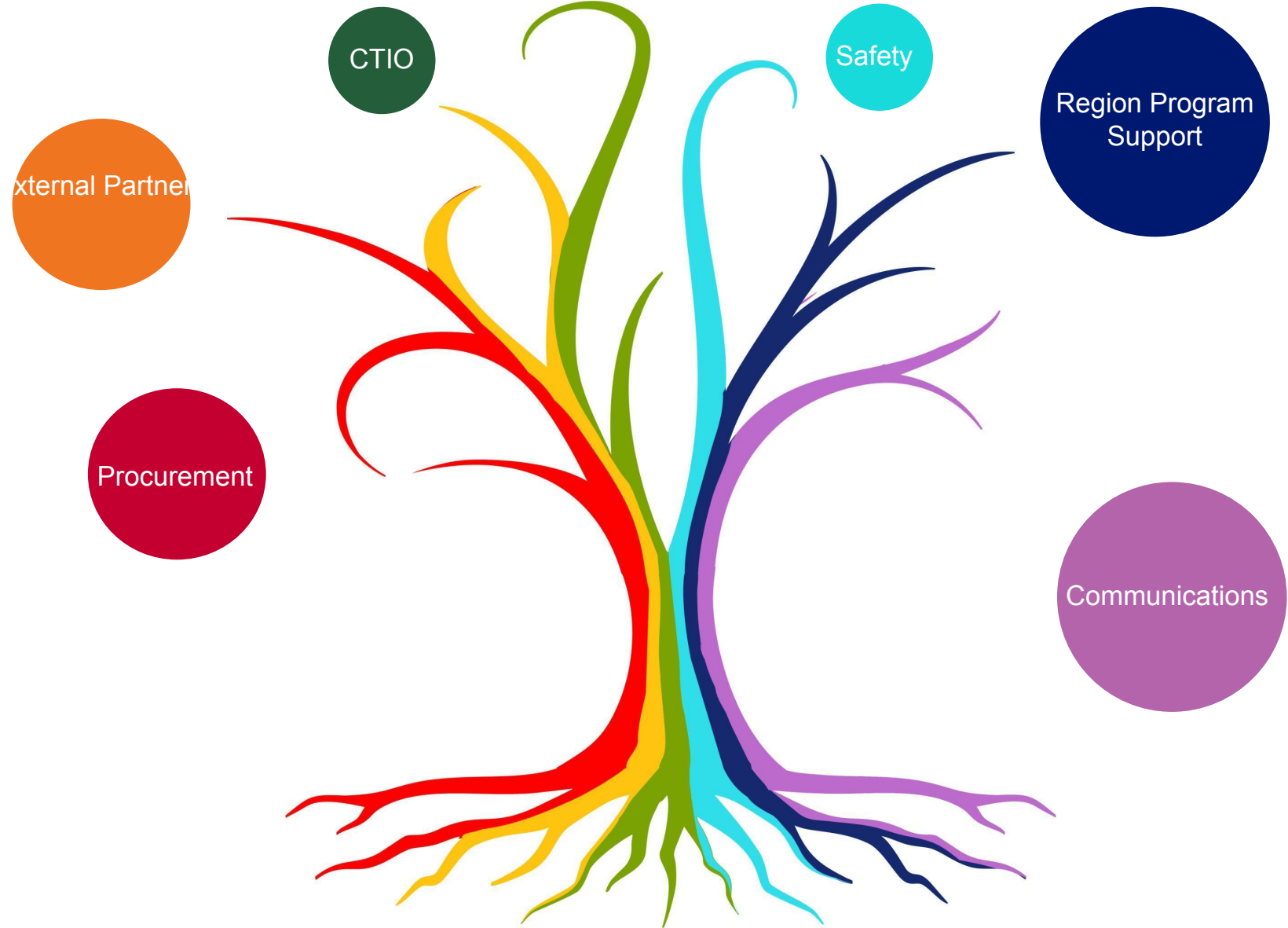
# Phase II: Building a Strong Base





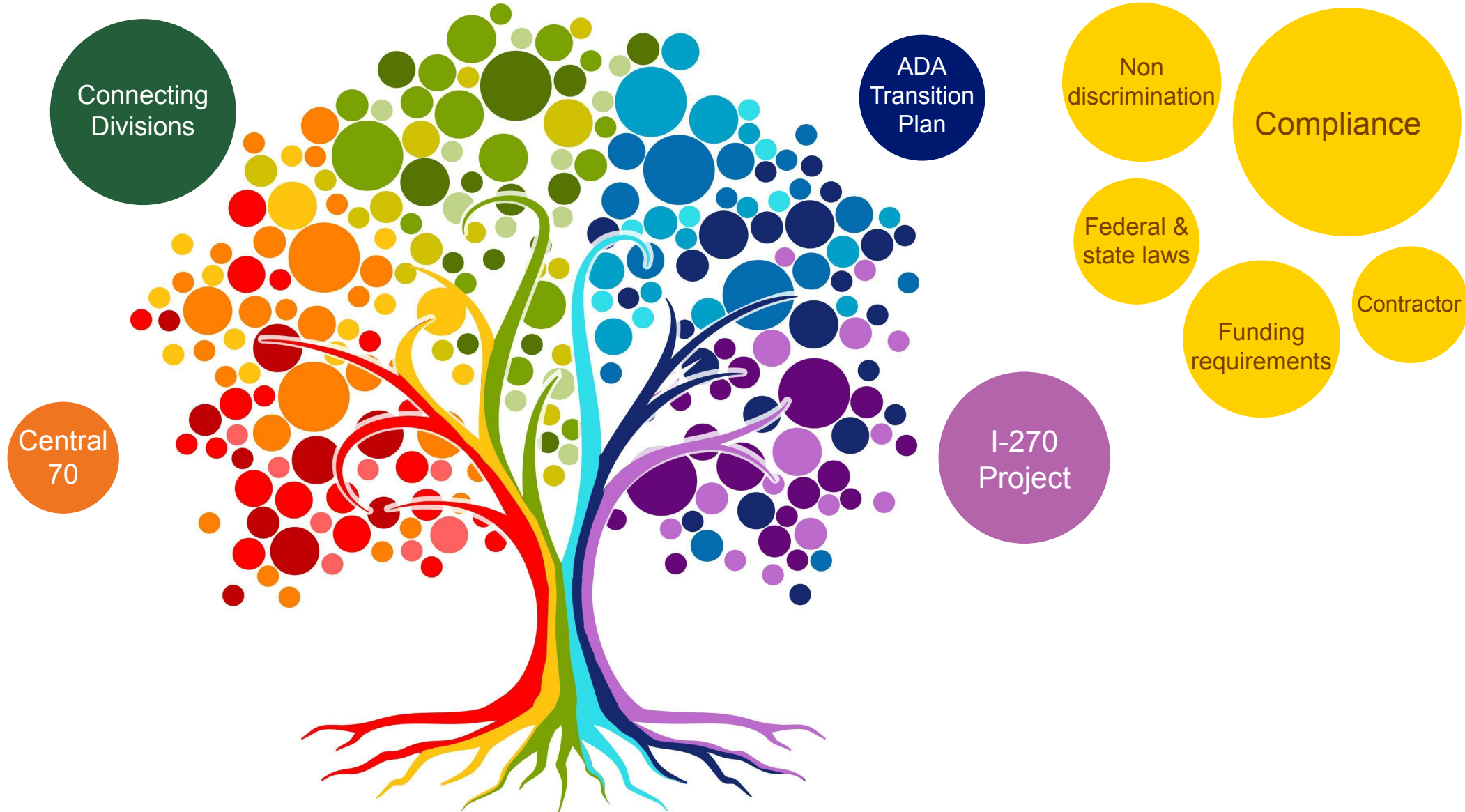


# Phase III: Branching Out





# Long-Term Vision: Sustainable Equity Ecosystem (Living)





Thank You



# 2022 Annual Report

*Darius Pakbaz, NAAPME Program Administrator*



# 2022 Annual Report

2022



**COLORADO**  
Department of Transportation  
Nonattainment Area Air Pollution  
Mitigation Enterprise

## Nonattainment Area Air Pollution Mitigation Enterprise 2022 Annual Report

Pursuant to C.R.S. § 43-4-1303 (10)(a)(IV)  
REPORTING PERIOD ENCOMPASSES JANUARY 1, 2022 TO DECEMBER 31, 2022

### Topics discussed within 2022 Annual Report

- Background Information
- Calendar Year 2022 Accomplishments
  - Board of Directors Appointments
  - Articles of Organization and Bylaws
  - Election of Officers
  - Rulemaking - set fee levels
  - Ten-Year Plan
  - Fiscal Year 2022-23 Budget
- Financial Status Report
  - 10-Year Spending Plan
  - Collection of fees as of December 1st
- Upcoming Activities

***Objections from the Board for submission of the 2022 Annual Report to the Colorado Senate and House Transportation Committees and to the Colorado Transportation Commission?***

***Report available in meeting packet as attachment A.***



# Enterprise Financial Update

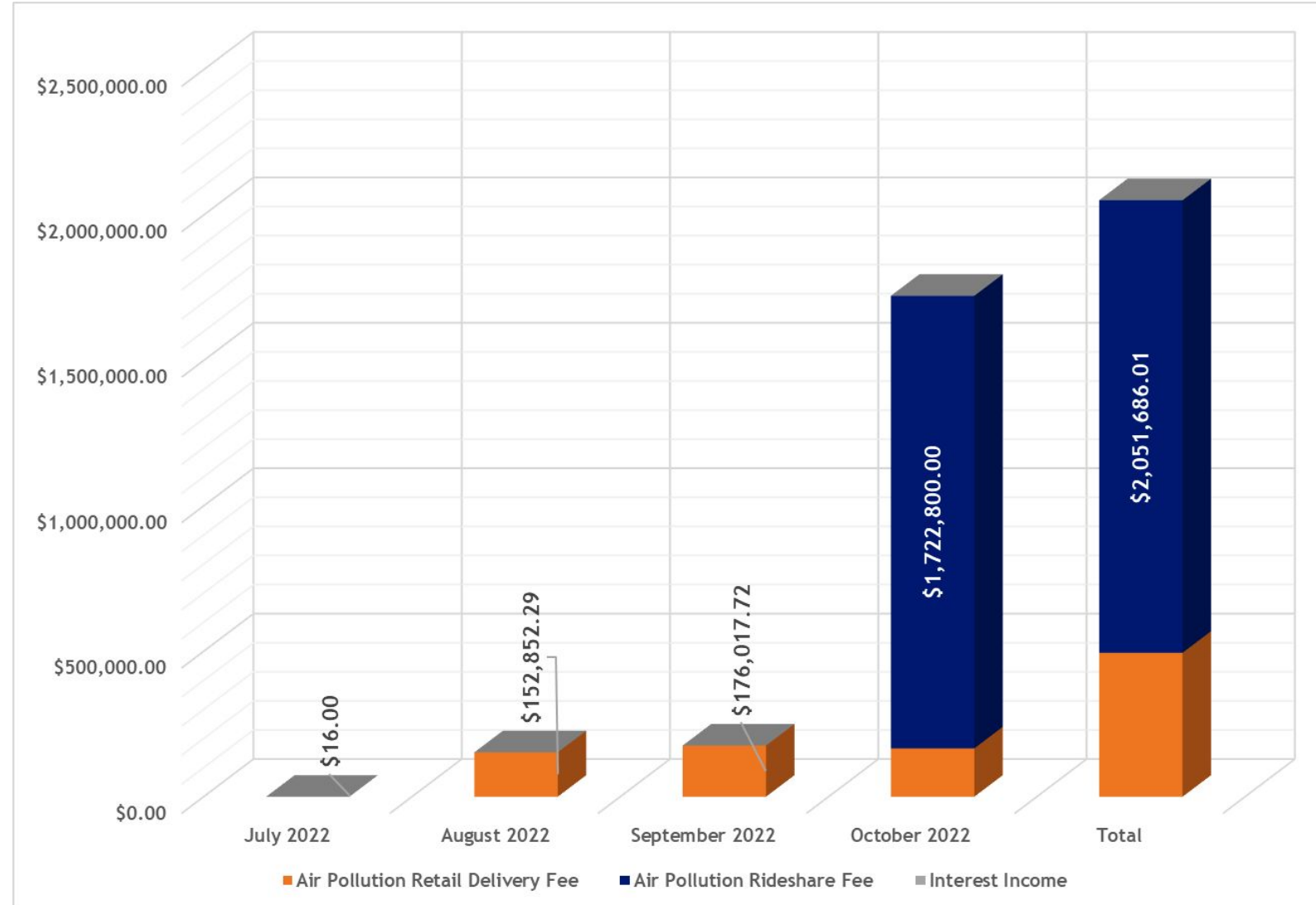
*Darius Pakbaz, NAAPME Program Administrator*



# NAAPME - Revenue Collection Update

## Revenue Update for December 2022:

- Retail Delivery Fee ( $\frac{7}{10}$  of one cent)
  - Total collected: \$495,059
  - Revenue collected monthly
- Rideshare Fee (22 ½ cents/11 ¼ cents)
  - Total collected: \$1,556,049
  - Revenue collected quarterly
- Interest Income \$578
- **TOTAL REVENUE: \$2,051,686**





# Enterprise Budget to Actuals

Fiscal Year 2022-23 Budget to Actual for Fund 542-Ongoing Nonattainment Area Air Pollution Mitigation Enterprise								
Line Item		Approved Budget	July 2022	August 2022	September 2022	October 2022	Total	Remaining Funds
1	<b>Fiscal Year Revenues</b>							
2	NAAPME Retail Delivery Fee	\$ 6,669,090	\$ 16	\$ 152,852	\$ 175,944	\$ 166,247	\$ 495,059	
	NAAPME Rideshare Fee	\$ -	-	-	-	1,556,049	1,556,049	
	Interest Income	\$ -	-	-	74	504	578	
3	<b>Total FY 2022-23- Revenue</b>	<b>\$ 6,669,090</b>	<b>\$ 16</b>	<b>\$ 152,852</b>	<b>\$ 176,018</b>	<b>\$ 1,722,800</b>	<b>\$ 2,051,686</b>	<b>\$ -</b>
4	<b>Fiscal Year Allocations</b>							
5	<b>Administration &amp; Agency Operations</b>							
6	Staff Salaries	\$ 64,800						
7	<b>State Agency Support</b>	<b>\$ 64,800</b>						
8	Attorney General Fees	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 384	\$ 5,000
9	Office of the State Audit-Annual Financial Audit	2,000	-	-	-	-	-	2,000
10	<b>Total State Agency Support</b>	<b>\$ 7,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 384</b>	<b>\$ 7,000</b>
11	<b>Enterprise Support Initiatives</b>							
12	Language Translation Services	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000
13	Consultant Services	100,000	-	-	-	-	-	100,000
14	<b>Total Enterprise Support Initiatives</b>	<b>\$ 150,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 150,000</b>
15	<b>Board Meeting Expenses</b>							
16	Board Travel	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000
17	Board Meeting Expenses	500	-	-	-	-	-	500
18	Presentation Support	350	-	-	-	-	-	350
19	<b>Total Board Meeting Expenses</b>	<b>\$ 5,850</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,850</b>
20	<b>Total Administration and Agency Operations</b>	<b>\$ 227,650</b>	<b>\$ -</b>	<b>\$ -</b>				<b>\$ 162,850</b>
21	<b>Debt Service</b>							
22	Debt Service on CDOT Loan	\$ 76,486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,486
23	<b>Total Debt Service</b>	<b>\$ 76,486</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 76,486</b>
24	<b>Contingency Reserve</b>							
25	Enterprise Reserve Fund (>\$200,000.01)	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
26	<b>Total Contingency Reserve</b>	<b>\$ 200,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 200,000</b>
27	<b>Total FY 2022-23 Budget</b>	<b>.</b>						
28	<b>Total FY 2022-23 Allocations</b>	<b>\$ 504,136</b>						

- Remaining loan funds will be transferred to enterprise program funds
  - \$53,074
- All future expenses will be paid through fee revenue.
- Interest revenue will be transferred to enterprise program funds.





# Enterprise Budget to Actuals

## Loan Proceeds

### Fiscal Year 2022-23 Budget to Actual for Fund 543-Initial Fund Nonattainment Area Air Pollution Mitigation Enterprise

Line Item		Approved Loan Proceeds	FY21-22 Expenses	July 2022	August 2022	September 2022	October 2022	Total Spending	Remaining Funds
1	<b>Fiscal Year Revenues</b>								
2	FY22 TC Loan Proceeds	\$ 74,700							
3	<b>Total FY 2021-22- TC Loan Proceeds</b>	<b>\$ 74,700</b>							
4	<b>Fiscal Year Allocations</b>								
5	<b>TC Loan Spending: FY 21-22 Expenses</b>								
6	Staff Salaries		\$ 18,589						
7	Attorney General Fees		1,729						
8	Mentimeter		144						
9	Interest on Loan Proceeds		233						
10	<b>Total TC Loan Spending: FY21-22 Expenses</b>	<b>\$ -</b>	<b>\$ 20,695</b>					<b>\$ 20,695</b>	
11	<b>TC Loan Spending: FY22-23 Expenses</b>								
12	Staff Salaries			\$ -	\$ 1,164	\$ 917	\$ 2,111	\$ 4,192	
13	Attorney General Fees			-	-	263	-	263	
14	Note Interest Expense			(233)	-	-	-	(233)	
15	<b>Total TC Loan Spending: FY22-23 Expenses</b>			<b>\$ (233)</b>	<b>\$ 1,164</b>	<b>\$ 1,180</b>	<b>\$ 2,111</b>	<b>\$ 4,221</b>	
16	<b>Remaining TC Loan Funds</b>							<b>\$ 24,917</b>	<b>\$ 53,074</b>



# Program Administrator Update

*Darius Pakbaz, NAAPME Program Administrator*



# Program Administrator Update

## Future Board of Directors Meeting Topics

- **Enterprise Program and Project Establishment**
  - Presentation on Tolling in EJ Communities along Central 70 - Simon Logan
  - Presentation on CDOT's role in proposed BRT corridors in Denver Metro Area - Angie Drumm
  - Presentation on how local communities manage grant funds - TBD
  - Presentation on BRT programs in the North Front Range region - TBD
  - Update on Safe Routes to School Program and allocation for High School students - TBD
- **Enterprise Administration**
  - Discussion on Enterprise fiscal rules - TBD
  - Continued updates on revenue collection and enterprise expenses - Darius Pakbaz
  - Final approval of FY2023-24 Enterprise Budget - Darius Pakbaz
  - Enterprise Public Accountability Dashboard - Darius Pakbaz
  - Updates to the Enterprise 10-Year Plan - Darius Pakbaz



## DECISION ITEM

# Future Board of Directors Meetings

*Darius Pakbaz, NAAPME Program Administrator*



# Future Meetings

- **Future Meetings Going into Calendar Year 2023**
  - Thursday, January 26, 2022 at 3:00PM
  - Thursday, February 23, 2022 at 3:00PM
  - Thursday, March 30, 2022 at 3:00PM
  - Thursday May 25, 2022 at 3:00PM
  - Thursday June 29, 2022 at 3:00PM
- **In Person Meeting - May 25, 2022**

*Staff requesting a motion from the Board to solidify the following dates for remaining NAAPME Board of Directors meeting for the remainder of Colorado state fiscal year 2023.*



# Next Steps and Adjoinment

*Kristin Stephens, NAAPME Chair*



# Next Steps

## Upcoming Dates:

- January 26, 2023, 3:00 PM - 4:30 PM - *NAAPME Board of Directors Meeting*

## Upcoming Meeting Topics:

- Presentation on Tolling in EJ Communities along Central 70 - Simon Logan, Colorado Transportation Investment Office
- Presentation on BRT programs in the North Front Range region - Alex Gordon, North Front Range MPO
- Enterprise Program and Financial Update - Darius Pakbaz, NAAPME Program Administrator



**COLORADO**

**Department of Transportation**

Nonattainment Area Air Pollution  
Mitigation Enterprise

# Nonattainment Area Air Pollution Mitigation Enterprise 2022 Annual Report

Pursuant to C.R.S. § 43-4-1303 (10)(a)(IV)

REPORTING PERIOD ENCOMPASSES JANUARY 1, 2022 TO DECEMBER 31, 2022



## Background

In 2021, the Nonattainment Area Air Pollution Mitigation Enterprise (NAAPME) was established within the Colorado Department of Transportation (CDOT) to support projects that mitigate the environmental and health impacts of increased air pollution from motor vehicles in nonattainment areas of Colorado. Created by Colorado Senate Bill 21-260 (SB 21-260), *Sustainability of the Transportation System*, the Enterprise imposes an Air Pollution Retail Delivery Fee and an Air Pollution per Ride Fee to fund programs and projects that fulfill the Enterprise's business purpose.

The primary business purpose of the NAAPME is to “mitigate the environmental and health impacts of increased air pollution from motor vehicle emissions in nonattainment areas that results from the rapid and continuing growth in retail deliveries made by motor vehicles and in prearranged rides provided by transportation network companies by providing funding for eligible projects that reduce traffic, including demand management projects that encourage alternatives to driving alone or that directly reduce air pollution, such as retrofitting of construction equipment, construction of roadside vegetation barriers, and planting trees along medians.” Nonattainment areas in Colorado are designated areas from the U.S. Environmental Protection Agency (EPA) that do not meet ambient air pollution levels. In Colorado, ozone pollution is the only identified pollutant in which parts of Colorado are currently in nonattainment for these standards. Currently Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, Jefferson, a portion of Larimer, and Weld counties are in the designated ozone nonattainment area within the state.

Projects funded by the NAAPME will look towards reducing the impact of air pollution from ozone, from increased usage of retail deliveries and rideshare services provided by transportation network companies (TNCs). The Enterprise has identified three focus areas in which projects can support this objective, as outlined in the Enterprise's 10-Year Plan.

## Calendar Year 2022 Accomplishments

NAAPME business for the initial year consisted primarily of administrative activities. These included seating of the Board of Directors and election of officers, approving administrative documents for the board including the Articles of Organization and board bylaws, rulemaking, and establishing the initial level of fee collection for the Enterprise. Additionally, the Board adopted its initial 10-Year Plan, as required by statute, approved the Enterprise's budget for fiscal year 2022-23, and began work on establishing a program for funding projects that fit within the business purpose of the Enterprise and its 10-Year Plan.

## Board of Directors

All the powers of the NAAPME, as described in C.R.S. § 43-4-1303 (3), and as otherwise provided by law, are vested in the NAAPME Board. The NAAPME Board of Directors manages

the business and affairs of the Enterprise and consists of seven members determined pursuant to the composition and qualifications outlined in C.R.S. § 43-4-1303 (2).

The Governor appointed five members on September 29, 2021. All Board members received the approval of the Senate Transportation and Energy Committee on March 15, 2022, and confirmation from the Colorado Senate on March 21, 2022. The remaining two members were designated by the heads of the state agencies - CDOT and the Colorado Department of Public Health and Environment (CDPHE).

#### Governor Appointments:

- **Danielle “Stacy” Suniga (Greeley):** Serves as an individual with expertise on environmental, environmental justice, or public health issues.
- **Lynn Baca (Brighton):** Serves as an elected official of a disproportionately impacted community that is a member of the Denver Regional Council of Governments (DRCOG).
- **Kristin Stephens (Fort Collins):** Serves as an elected official of a local government that is a member of the North Front Range Metropolitan Planning Organization.
- **Yessica Holguin (Denver):** Serves as a representative of disproportionately impacted communities.
- **Leanne Wheeler (Aurora):** Serves as a representative of disproportionately impacted communities.

#### State Agency Appointments:

- **Herman Stockinger:** Colorado Department of Transportation designee.
- **Jessica Ferko:** Colorado Department of Public Health and Environment designee.

## Articles of Organization and Bylaws

The NAAPME Articles of Organization were approved by the Board of Directors on April 14, 2022. The Articles of Organization cover the name, authority, purpose, TABOR exemption, enterprise board, officers, powers, revenues and expenditures and process for amendments to the Articles of Organization. The Bylaws were approved on February 24, 2022, and cover the Board composition, duties and responsibilities, meetings of the Board, open meetings and open records, officers and staff, fiscal Year and budget, amendment process, and other miscellaneous provisions.

## Election of Officers

The NAAPME Board, using the directions provided in the Enterprise’s Bylaws and Articles of Organization elected officers at the February 24, 2022, Board of Directors Meeting. Director Kristin Stephens was elected Chair and Director Lynn Baca was elected Vice-Chair. In addition, the Board of Directors approved Darius Pakbaz, Deputy Director of the Division of Transportation Development (DTD) at CDOT, as the NAAPME Program Administrator and Jenni Fogel, Program Assistant for DTD at CDOT, as the NAAPME Board Secretary at the April 14, 2022, Board of Directors Meeting.

## Rulemaking

SB 21-260 established several new fees, including the retail delivery fee and the prearranged ride fee, a portion of which funds the activities of the NAAPME. The NAAPME was required by C.R.S. § 43-4-1303 (6)(h) to conduct a rulemaking in accordance with the administrative procedures act “to promulgate rules for the sole purpose of setting the amounts of the air pollution mitigation per ride fee and the air pollution mitigation retail delivery fee at or below the maximum amounts authorized...”.

C.R.S. § 43-4-1303 (7)(b) initially set the maximum amount for the air pollution prearranged ride fee at 11 ¼ cents for each prearranged ride in a carshare ride or which the driver transports the rider in a zero emissions vehicle, and 22 ½ cents for every other prearranged ride. C.R.S. § 43-4-1303 (8)(b) initially set the maximum air pollution retail delivery fee at seven-tenths of one cent. Statute allows for these fees to be adjusted for inflation in future years.

The NAAPME Board of Directors initiated the rulemaking process on February 24, 2022, to set the air pollution mitigation per ride fee and the air pollution mitigation retail delivery fee for state fiscal year 2022-23. In accordance with administrative procedures, the proposed rule was filed with the Secretary of State on February 25, 2022, and a public comment period was open from March 10, 2022 through April 7, 2022. A public hearing was held on April 14, 2022 and the Board adopted [2 CCR 608-1, Rules Governing Nonattainment Area Air Pollution Mitigation Fees](#) on the same day.

The NAAPME Board of Directors will work with staff of CDOT, the Colorado Department of Revenue (DOR), and other subject matter experts on how and when to adjust the retail delivery fee to account for inflation over time.

## Ten Year Enterprise Plan

No later than June 1, 2022, the NAAPME was required to publish a 10-Year Plan that details how the Enterprise will execute its business purpose during state fiscal years 2022-2023 through 2031-2032 and estimates the amount of funding necessary to do so. As per C.R.S. § 43-4-1303 (10)(a)(I), information regarding the implementation of the 10 Year Plan will be maintained and regularly updated in a public accountability dashboard that can be accessed via the NAAPME website.

To ensure transparency and accountability of the NAAPME, a 10-Year Plan was developed reflecting the vision and expertise of the NAAPME Board of Directors, along with valuable input from Colorado communities and local governments, through a public outreach process that elicited input from almost 200 members of the public and comments from three transportation planning regions that fall within the ozone nonattainment area.

The 10-Year Plan includes background information on designation of a nonattainment area for criteria pollutants and the current nine-county area currently in nonattainment for ozone. The plan also details estimated financial resources and expenditures for fiscal years 2022-23 through 2032-33 and describes the NAAPME funding strategy. Finally, the plan provides information on the three categories of funding programs - sustainably reduce traffic congestion, reduce the environmental and health impacts of transportation, and improve neighborhood connectivity for communities adjacent to highways.

The NAAPME Board of Directors intends for this 10-Year Plan to function as a living document which will be updated and refined over time to allow additional information on funding programs to be added over the timespan of the plan as the Enterprise Board of Directors determines the best way to allocate funds within its business purpose. To this end, the NAAPME Board of Directors intends to review this plan at least annually following its adoption to evaluate the need for updates.

The [NAAPME 10-Year Plan](#) was approved by the NAAPME Board of Directors at its June 23, 2022 meeting and is posted on the [NAAPME website](#).

## Budget

The NAAPME did not have an operating budget or source of funding prior to August 2022 when NAAPME began receiving revenue from the retail delivery fee. All fiscal year 2021-22 expenses were paid through a loan from the Colorado Transportation Commission (TC), which was approved by the TC in December of 2021 and by the NAAPME Board of Directors in February of 2022.

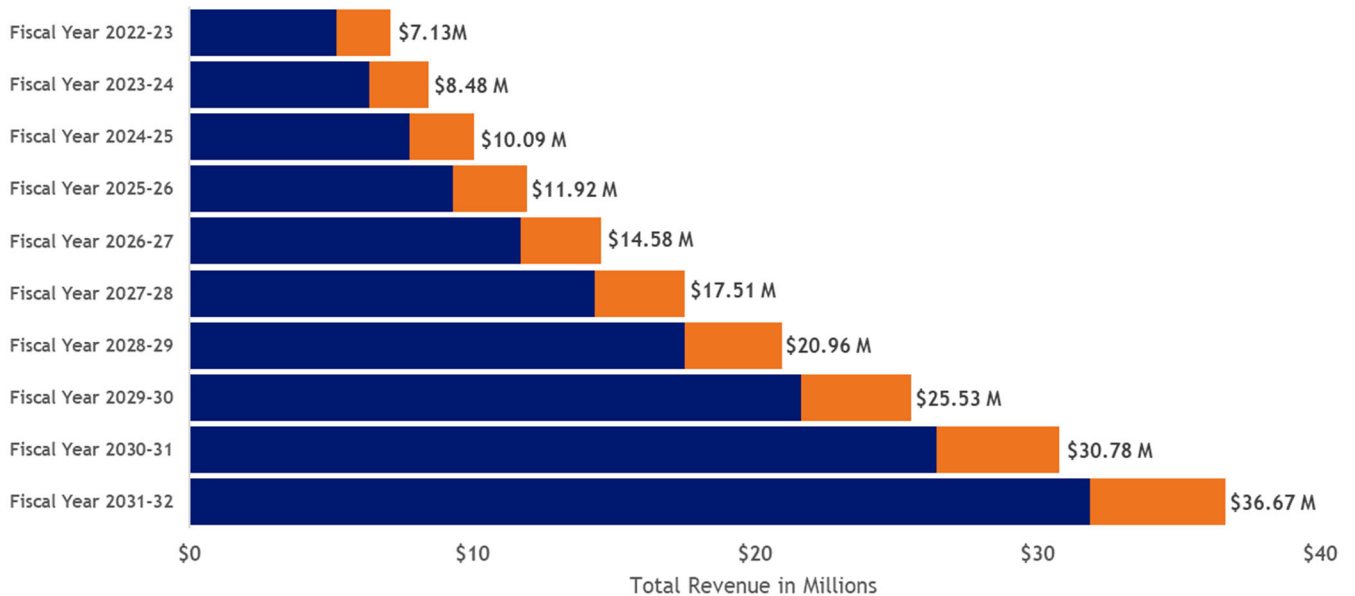
Once NAAPME received fee revenue for the quarter one of fiscal year 2023, the NAAPME Board of Directors approved repayment of the Transportation Commission Loan in full, with interest, per the terms of the loan agreement, in late October 2022. The NAAPME spent \$24,917 of the \$74,700 loan in fiscal years 2021-22 and 2022-23. In October of 2022, the NAAPME Board of Directors voted to transfer the remaining balance of the loan funds to the 2023 Programmed Funds budget.

The NAAPME Board of Directors approved its initial budget for fiscal year 2022-23 at the June 23, 2022, Board of Directors meeting. Elements of the annual budget include Administrative and Agency Operations to support day-to-day operations of the Enterprise, Contingency Reserve to handle unexpected expenses that are outside the range of the usual budget, and Programmed Funds that will be made available to fund programs and projects that are within the business purpose of the Enterprise and have been approved by the Board of Directors. The NAAPME does not anticipate having dedicated staff members but will leverage existing CDOT staff to support Enterprise work.

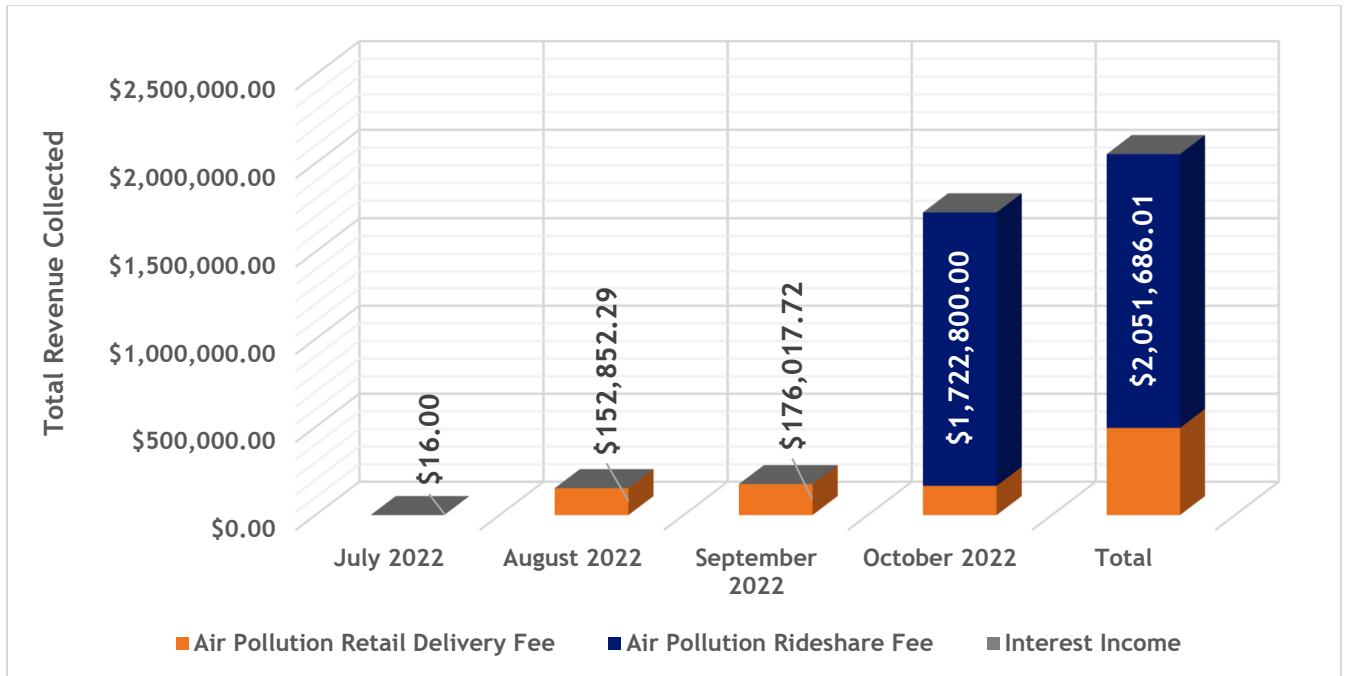
Revenue Allocation Category	Estimated Rollforward from FY 2021-2022	FY 2022-23 Final Allocation Plan	FY 2022-23 Total Available Budget
Program Funds	\$49,783.00	\$6,621,089.75	\$6,670,872.75
Administration & Agency Ops.	\$0.00	\$227,650.00	\$227,650.00
Debt Service	\$0.00	\$76,486.25	\$76,486.25
Contingency Reserve	\$0.00	\$200,000.00	\$200,000.00

## Financial Status Report

The fees established in SB21-260 are on-going revenue streams and CDOT staff have estimated revenue amounts for the next ten years. The projections anticipate that retail delivery fee and ride share fee will result in \$7.2 million in revenue in the first full year of implementation, growing to \$36.7 million by fiscal year 2031-32.



A proposed spending plan for fiscal years 2022-23 through 2031-32 was developed as part of the [NAAPME 10 Year Plan](#), available on page 15. As of December 1, 2022, NAAPME has collected \$2.05 million in revenue from both fees.



## Upcoming Activities

Now that revenue from both fees has begun to be received by the Enterprise, the NAAPME will be turning its attention to determining its initial program of projects for the latter half of fiscal year 2022-23 and into fiscal year 2023-24. The Board of Directors has heard from numerous voices across the nine-county area of where assistance can be provided within the three focus areas identified in the Enterprise’s ten-year plan.

The Board of Directors will begin the early part of 2023 soliciting information about proposed Bus Rapid Transit corridors being established in both the Denver Metro Area and the North Front Range area to see if the Enterprise can support projects which could provide first mile/last mile connections in those corridors. Additionally, the Enterprise will continue its outreach efforts to identify other areas of need that can help fund projects and programs that will help reduce ozone pollution and improve connectivity in neighborhoods in the nonattainment area.