



**COLORADO**

Department of Transportation

# Clean Transit Enterprise Board

October 29, 2024



# AGENDA

- Welcome and Roll Call (Chair Frommer)
- Public Comments
- Action Agenda (Chair Frommer)
  - DECISION ITEM: Approval of Minutes - 9/24/24 CTE Board Meeting
- Program Administrator Update (Kay Kelly, CDOT)
- Enterprise Financial Update (Kay Hruska, Cassie Rutter and Sam Foster, CDOT)
- CTE FY26 Proposed Budget (Kay Kelly, CDOT)
  - DECISION ITEM: Approval of FY26 CTE Proposed Budget
- Town of Breckenridge ZEV Transition Planning (Andy Cotton, Town of Breckenridge)
- CTE Planning Call for Projects (Mike King, CDOT)
- Adjournment

# Program Administrator Update

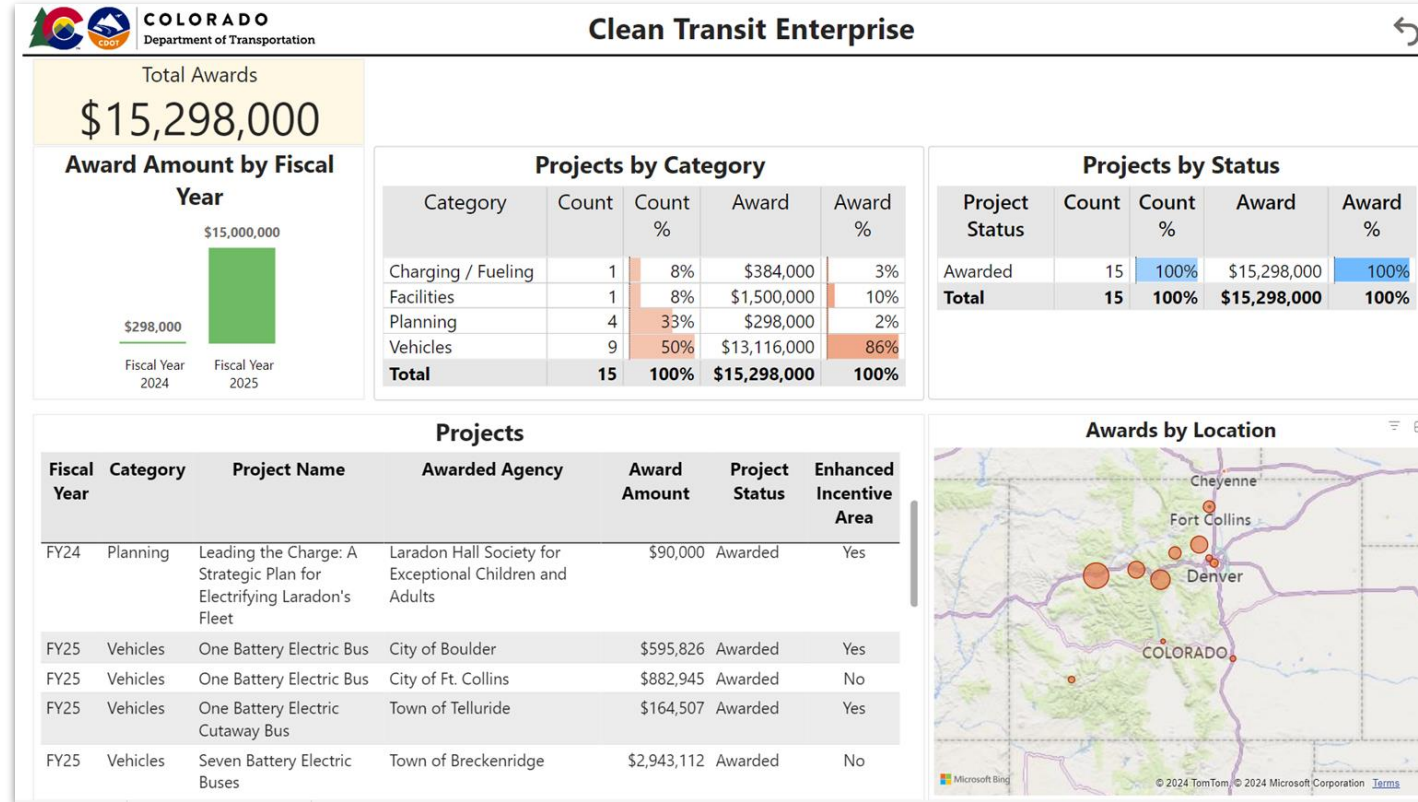
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Kay Kelly, CDOT



# Program Administrator Update

- General Enterprise Updates:
  - CTE Manager Hiring Process Update
  - CTE Annual Report to the Legislature
  - Public Accountability Dashboard
  - Board Appointments
  - Future Board Meeting Scheduling
- Oil and Gas Production Fee Topics:
  - Administrative Preparations Continue
- Retail Delivery Fee Topics:
  - Planning for next round of Transit ZEV Transition Planning Grants



# Enterprise Financial Update

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Kay Hruska and Ryan Long, CDOT



# CTE Accounting Update - Year-To Date Figures Through September 2024

Fiscal Year 2024-25 Budget to Actual for Fund 540							
Clean Transit Enterprise							
Line Item		Approved Budget	July 2024	August 2024	September 2024	Total Quarter 1	Remaining Funds
1	<b>Fiscal Year Revenues</b>						
2	Clean Transit Retail Delivery Fee	\$ 9,902,388	\$ 555,814	\$ 918,486	\$ 901,927	\$ 2,376,228	
3	Interest Revenue	-	-	60,352	64,785	125,137	
4	<b>Total FY 2024-25- Revenue</b>	<b>\$ 9,902,388</b>	<b>\$ 555,814</b>	<b>\$ 978,838</b>	<b>\$ 966,712</b>	<b>\$ 2,501,365</b>	
5	<b>Fiscal Year Allocations</b>						
6	<b>Administration &amp; Agency Operations</b>						
7	Administration and Agency Operations						
8	Staff Salaries	\$ 450,250	\$ -	\$ 3,851	\$ 5,848	\$ 9,699	\$ 440,551
9	Attorney General Fees	5,000	-	1,066	-	1,066	3,934
10	Office of the State Audit-Annual Financial Audit	2,000	-	-	-	-	2,000
11	Professional Services	100,000	-	-	-	-	100,000
12	Board/Staff Travel	2,000	-	-	-	-	2,000
13	Board Meeting Expenses	200	-	-	-	-	200
14	Miscellaneous	1,000	-	-	-	-	1,000
15	<b>Total Administration and Agency Operations</b>	<b>\$ 560,450</b>	<b>\$ -</b>	<b>\$ 4,916</b>	<b>\$ 5,848</b>	<b>\$ 10,765</b>	<b>\$ 549,685</b>
16	<b>Contingency Reserve</b>						
17	Board Reserve Fund (10%)	\$ 990,239	\$ -	\$ -	\$ -	\$ -	990,239
18	<b>Total Reserve Funds</b>	<b>\$ 990,239</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 990,239</b>
19	<b>Programmed Funds</b>						
20	Programmed Funds	\$ 8,231,933	\$ -	\$ -	\$ -	\$ -	8,231,933
21	<b>Total Programmed Funds</b>	<b>\$ 8,231,933</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,231,933</b>
22	<b>Total FY 2024-25 Budget</b>	<b>\$ 9,902,388</b>					
23	<b>Total FY 2024-25 Allocations</b>	<b>\$ 9,782,622</b>					



# Revenue Forecasts

## FY 2024-25 Revenue (\$0.0322 fee):

- Forecast in FY24 Q1: \$9,902,388 (based on estimated fee of \$0.0317)
- Forecast in FY25 Q1: \$11,500,000 (based on final approved fee of \$0.0322)

## FY 2025-26 Revenue:

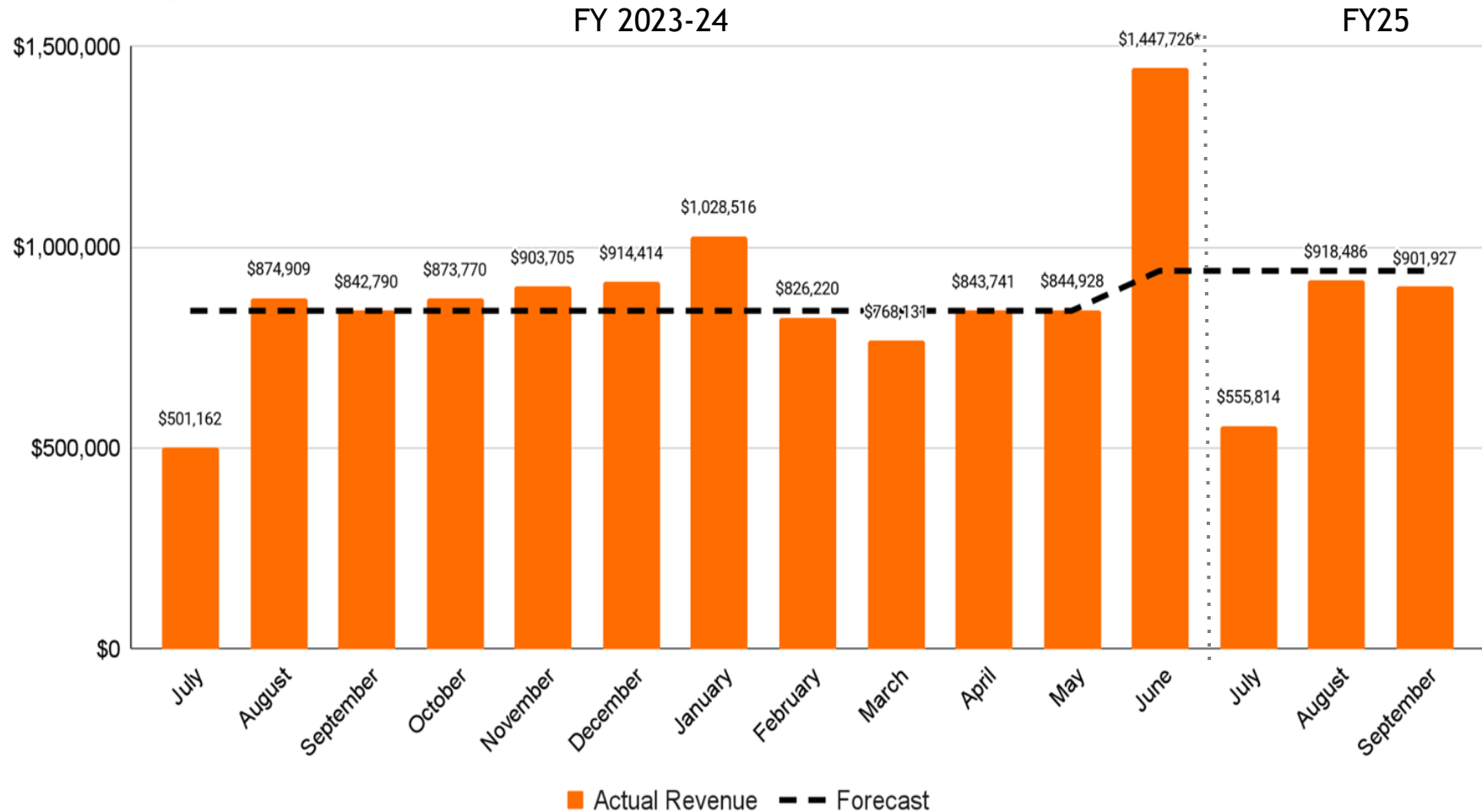
- Forecast in FY25 Q1: \$12,900,000

## FY 2025-26 Oil and Gas Production Fee:

**Total of \$56,777,910**

- Local Transit Operations: \$39,744,537
- Local Transit Grant Program: \$5,677,791
- Rail Funding Program: \$11,355,582

Retail Delivery Fee Actual and Forecasted Revenue



\*June 2024 includes \$611,012.13 in Period 13 accruals



# Clean Transit Enterprise Cash Fund Status

Actual FY 2023-24 Year Ending Cash Balance	\$19,486,965
Cash Fund Balance as of October 17, 2024	\$21,990,316
Total FY25 Spending Authority Adopted by Joint Budget Committee 2/8/24	\$18,134,321

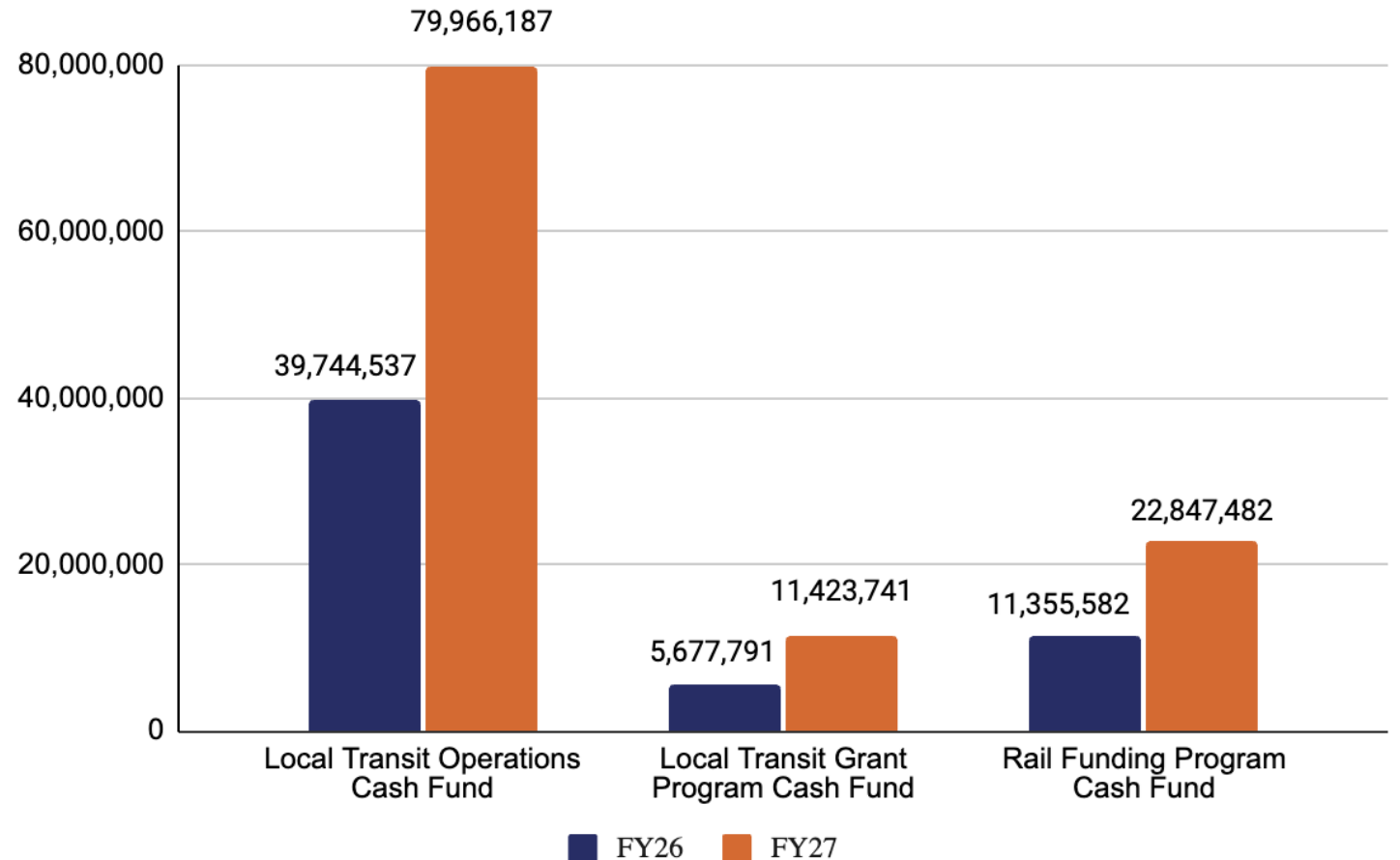




# Oil and Gas Fee Forecast Assumptions

- CDOT's Office of Financial management and Budget (OFMB) primarily uses data from the U.S. Energy Information Administration's Annual Energy Outlook to estimate oil and gas production and prices in Colorado.
- OFMB's forecast will be updated on a quarterly basis to account for fee changes and market conditions.
- The chart to the right outlines OFMB's forecast for FY 2025-26 and FY 2026-27.

## Oil and Gas Fee Forecast - OFMB FY 25 Q1 Forecast

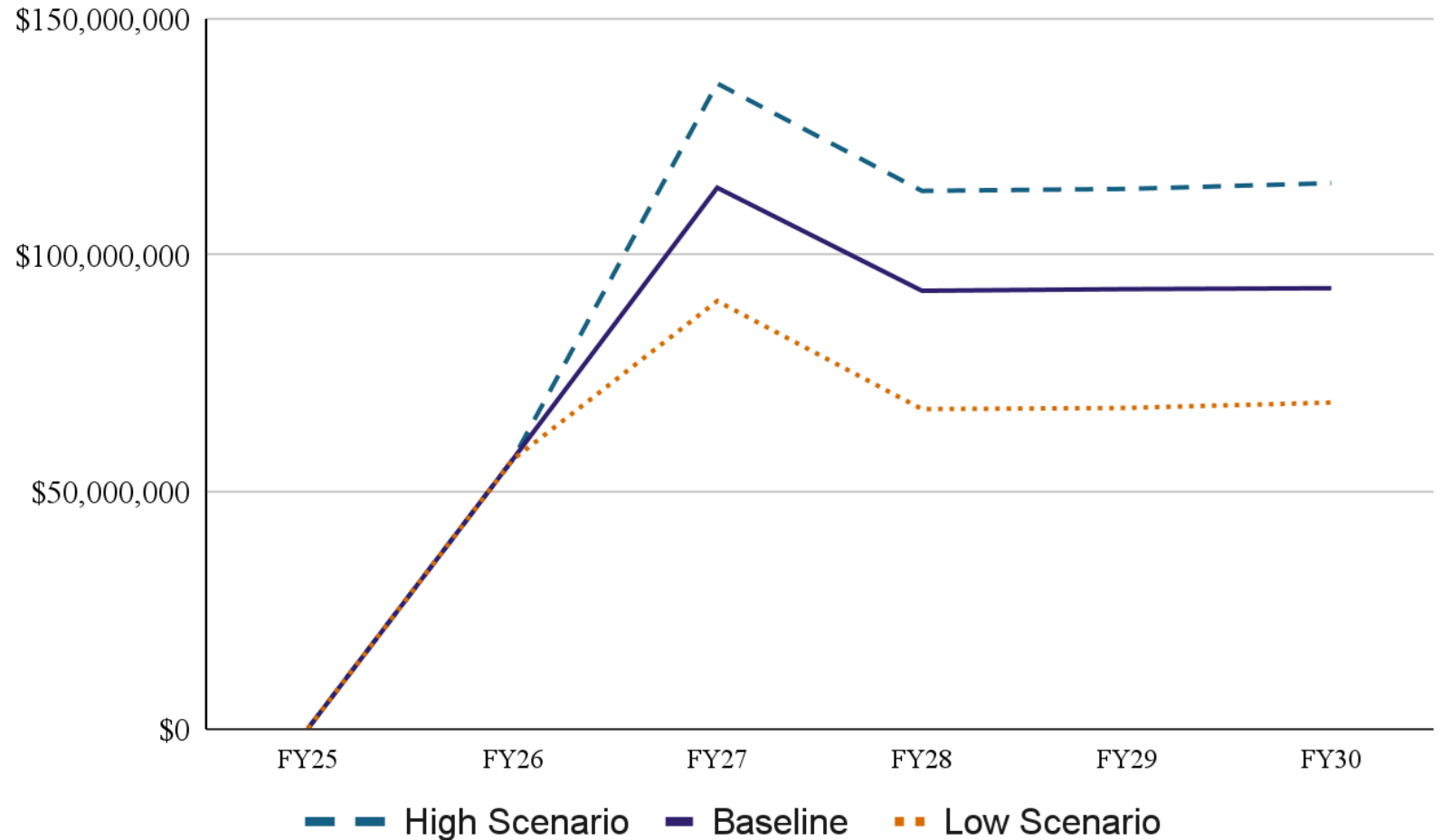




# Oil and Gas Fee Variability

- The oil and gas production fees will experience significant variability over time.
- Small variations in the price of oil and gas could have significant impacts on the amount of revenue collected.
- The chart to the right compares OFMB’s baseline forecast to the revenue generated in the fee tiers above and below the baseline forecast.

## Oil and Gas Fee Scenarios



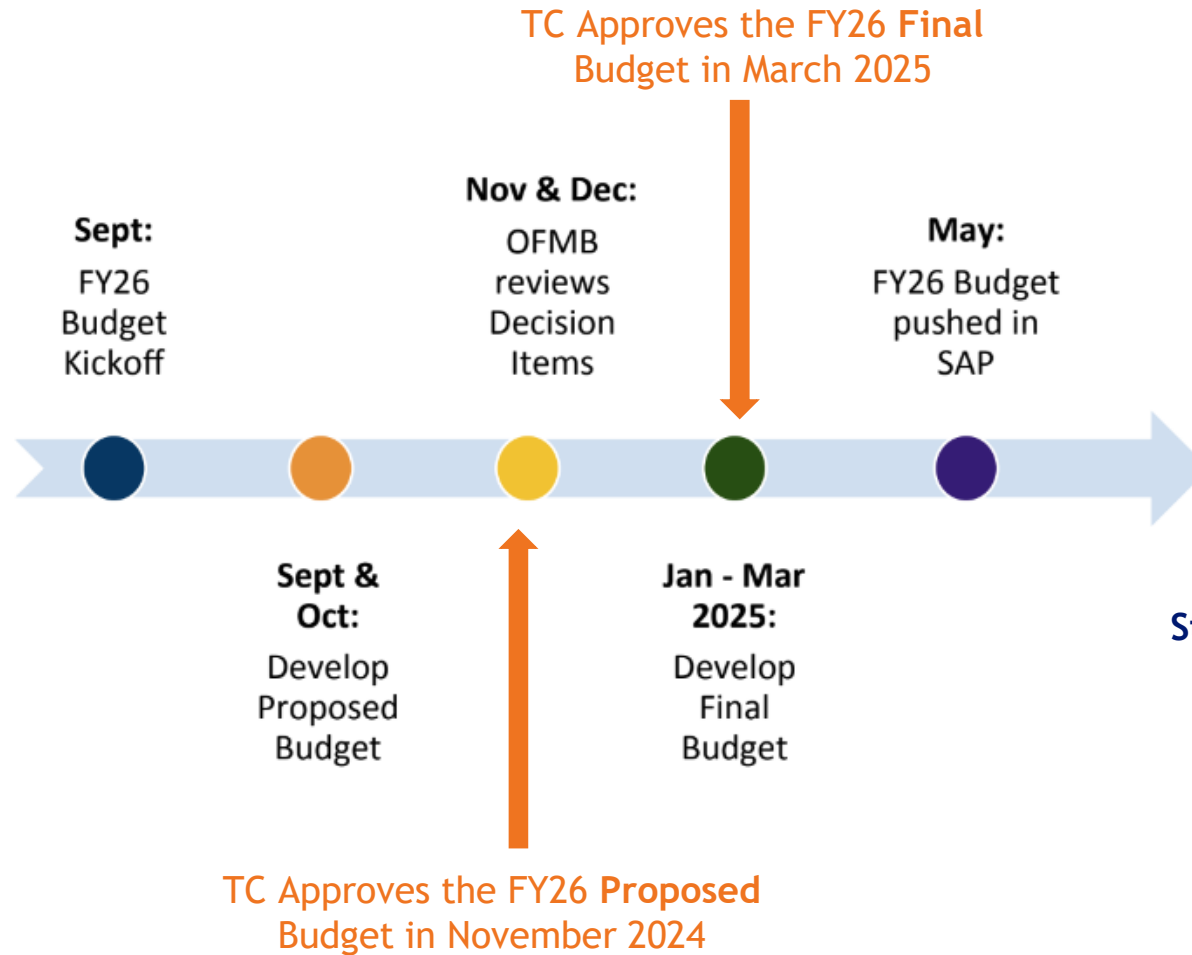
# FY26 CTE Proposed Budget

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Kay Kelly, CDOT



# CDOT's Annual Budget Setting Process



The deadline to submit FY26 budget requests to the CDOT Office of Financial Management and Budget (OFMB) is **November 1**

### Statutory Deadlines for the Budget:

- **November 1** - legislative budget submitted to the Joint Budget Committee
- **December 15** - Proposed Annual Budget submitted to the Governor's Office and legislature
- **April 15** - Final Annual Budget submitted to the Governor's Office and legislature
- **by June 30** - Governor signs Final Budget



# Elements of the CTE Annual Budget

## Revenue:

- Clean Transit Retail Delivery Fee (existing)
- Oil and Gas Production Fee (takes effect 7/1/25)

## Expenses:

- Administration and Agency Operations - staff salaries, attorney fees, administrative expenses for meetings/travel, etc.
  - To be charged 70% to O/G Fee and 30% to Retail Delivery Fee
- Contingency Reserve - Set at 10% of the Retail Delivery Fee to account for project cost escalations or other unforeseen expenses
- Programmed Funds - funds CTE distributes in the form of grants to transit agencies
  - Zero Emission Transit Grants funded by the Clean Transit Retail Delivery Fee (existing)
  - Oil and Gas Production Fee programs (new in FY26)



# CTE Proposed FY26 Budget (FY starts 7/1/25)

LINE ITEM	FY2025-26
<b>TOTAL REVENUES</b>	<b>\$ 70,276,038</b>
Clean Transit Retail Delivery Fee	\$ 12,898,128
Oil & Gas Production Fee	\$ 56,777,910
TC Start Up Loan for Oil and Gas Production Fee Portfolio	\$ 600,000
<b>ADMINISTRATION &amp; AGENCY OPERATIONS</b>	<b>\$ 1,680,847</b>
Staff Salaries	\$ 774,912
Attorney General's Office Fees	\$ 5,000
Office of State Audit - Annual Financial Audit	\$ 2,000
Professional Services	\$ 250,000
Administrative Expenses	\$ 6,200
Board/Staff Travel	\$ 3,600
Board Meeting Expenses	\$ 600
Supplies/Registration Fees/Etc.	\$ 2,000
Loan Payments	\$ 642,735
<b>CONTINGENCY RESERVE</b>	<b>\$ 1,289,813</b>
Board Reserve Fund (10.00%)	\$ 1,289,813
<b>PROGRAMMED FUNDS</b>	<b>\$ 67,305,378</b>
Programmed Funds	\$ 67,305,378
Clean Transit Retail Delivery Fee	\$ 11,296,882
Total Oil and Gas Production Fee	\$ 56,008,496
<b>TOTAL - CTE</b>	<b>\$ 70,276,038</b>

Projected Revenue - existing RDF, plus new Oil/Gas Production Fee and start-up loan

Anticipate higher Salary costs going forward as additional grant programs are added and existing grant programs continue execution

Increase in Professional Services costs due to anticipated need for consultant support on O/G start-up efforts

Travel and Meeting Expenses line items adjusted to allow for 3 in-person meetings per year

98% of total revenue (\$68,595,191) remaining for the CTE Program Portfolio and Contingency Funds



# Decision Item - FY26 Proposed Budget

## **Proposed Motion for Board Consideration:**

*Move for the Clean Transit Enterprise to adopt the fiscal year 2026 PROPOSED budget as presented by Enterprise staff.*

# Town of Breckenridge ZEV Transition Planning

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Andy Cotton, Town of Breckenridge



# Zero Emission Bus Transition Strategy

Town of Breckenridge Free Ride Transit System

Andy Cotton - Assistant Transit Manager

As presented for the Clean Transit Enterprise (CTE)

# Breckenridge Free Ride Transit

- ▶ 1.3+ million passenger trips annually
- ▶ 4-8 bus routes depending on season
- ▶ 35-50 FT employees
- ▶ 9600' elevation
- ▶ 350" average annual snowfall



# Current State

The Free Ride operates up to 7 bus routes in peak winter season

16 Transit buses

- 12 Diesel

- 2 Diesel Hybrids

- 5 Battery BEB's

Infrastructure

- 2 60 KW depot chargers

- 3 120 KW depot chargers

## Why do we want ZEV's in Breckenridge?

- ▶ Reduce emissions
- ▶ Provide cleaner and quieter transit option for residents
- ▶ Federal Low-No requirement
- ▶ Cost savings
- ▶ The goal of 2030 fully electric is aggressive, but potentially obtainable



# Why does Breck need a fleet transition plan? Some background

- ▶ Limited time from in house staff
- ▶ Limited knowledge in certain areas
- ▶ Difficulty in getting the utility involved
- ▶ Fleet needs
- ▶ Facility needs

# Study Details:

- ▶ Study took approximately 5 months to complete
- ▶ \$45,000 total cost
- ▶ \$40,500 funded through 2023 ZEV Transition Planning Award from CDOT
  - ▶ Pre-CTE program, funded with CDOT OIM budget
- ▶ Total agency cost = \$4,500
- ▶ Went to RFP
- ▶ Top proposal was Hatch Consulting
- ▶ Expertise with multiple ZEV studies
  - ▶ Massachusetts Bay Transit
  - ▶ Maine DOT
  - ▶ Redwood Coast Transit
- ▶ Local contact in Denver area

# Study details continued.....



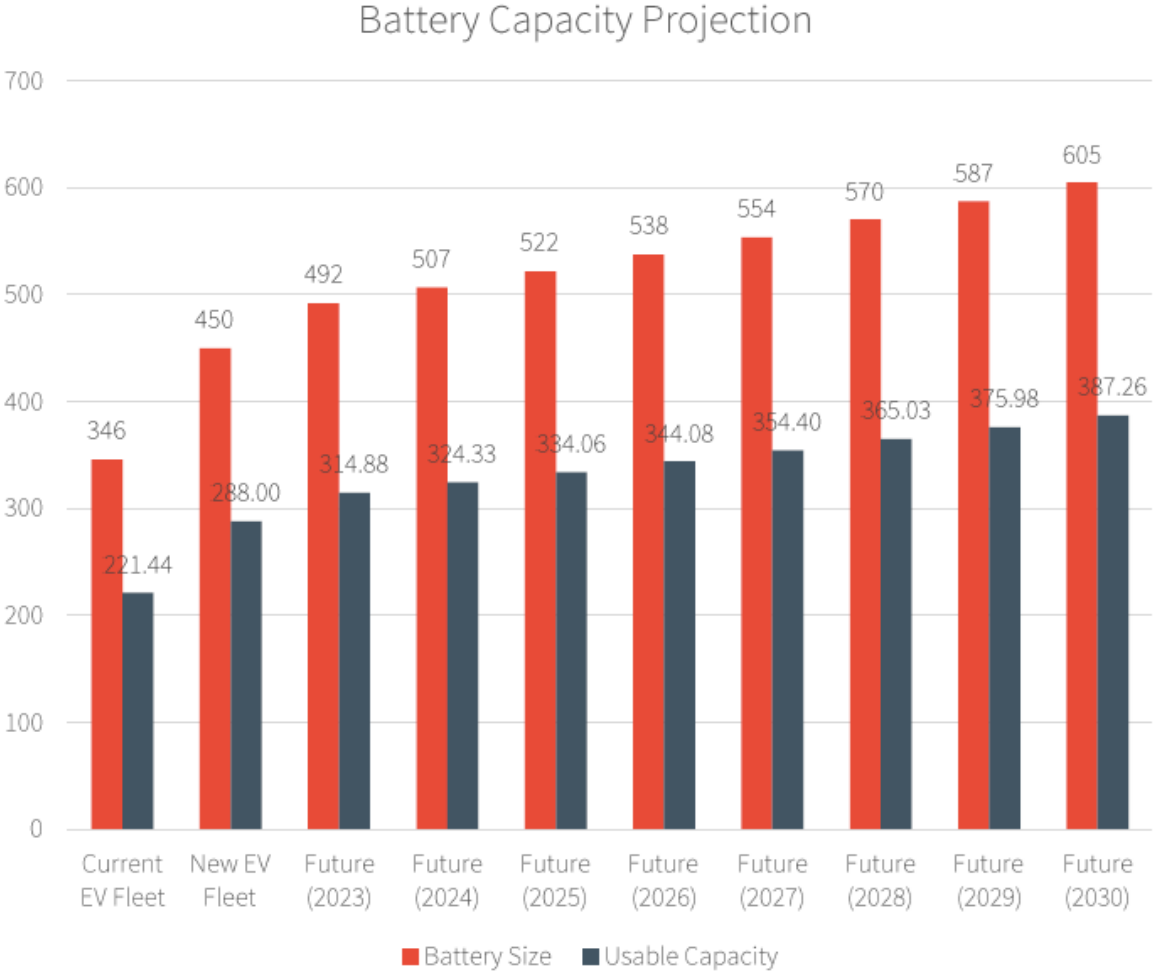
- ▶ Be ready to produce lots of data!
- ▶ Weekly meetings with Hatch
- ▶ Site visits
- ▶ Ridership data
- ▶ Cold weather data
- ▶ Hot weather data
- ▶ Photos
- ▶ Lots of usage details required from current EV fleet

# Current Vehicle List and Replacement Year

Bus ID	Make	Vehicle Type	Fuel	In Service Year	Replacement Year
9214	GILLIG	35' Transit Bus	Diesel/Hybrid	2009	(contingency fleet)
9215	GILLIG	35' Transit Bus	Diesel/Hybrid	2009	
9221	Ford	Cutaway	Gasoline	Unknown	Unknown
9222	Ford	Cutaway	Gasoline	Unknown	Unknown
9224	GILLIG	29' Transit Bus	Diesel	2014	2025
9225	GILLIG	29' Transit Bus	Diesel	2017	2028
9226	GILLIG	29' Trolley	Diesel	2017	2028
9227	ELDORADO	35' Transit Bus	Diesel	2017	2028
9228	ELDORADO	32' Transit Bus	Diesel	2018	2029
9229	ELDORADO	32' Transit Bus	Diesel	2018	2029
9230	ELDORADO	32' Transit Bus	Diesel	2018	2029
9231	GILLIG	29' Trolley	Diesel	2019	2030
9232	ELDORADO	32' Transit Bus	Diesel	2019	2030
9233	ELDORADO	32' Transit Bus	Diesel	2019	2030
9234	Proterra	35' Transit Bus	Electric	2020	2031
9235	Proterra	35' Transit Bus	Electric	2020	2031

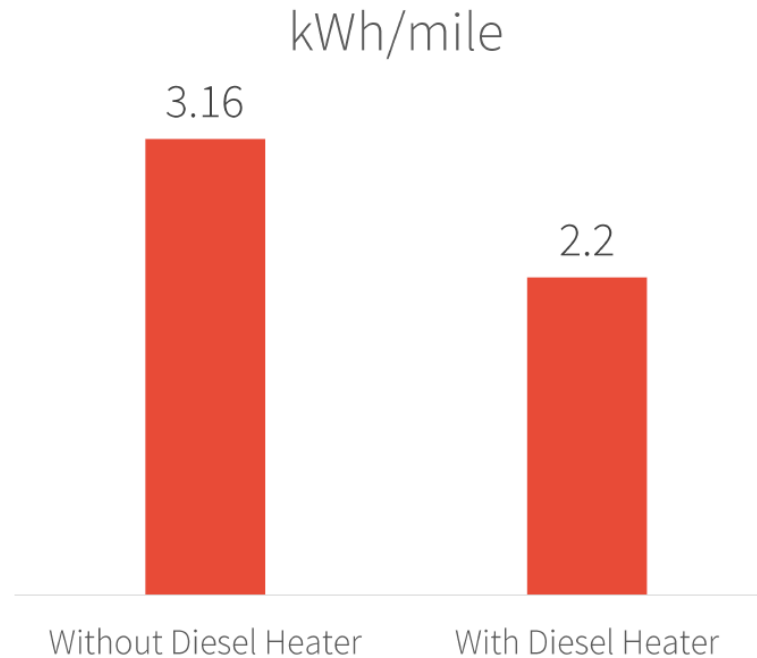


# Understanding future bus capabilities (projected at 3% above current buses)

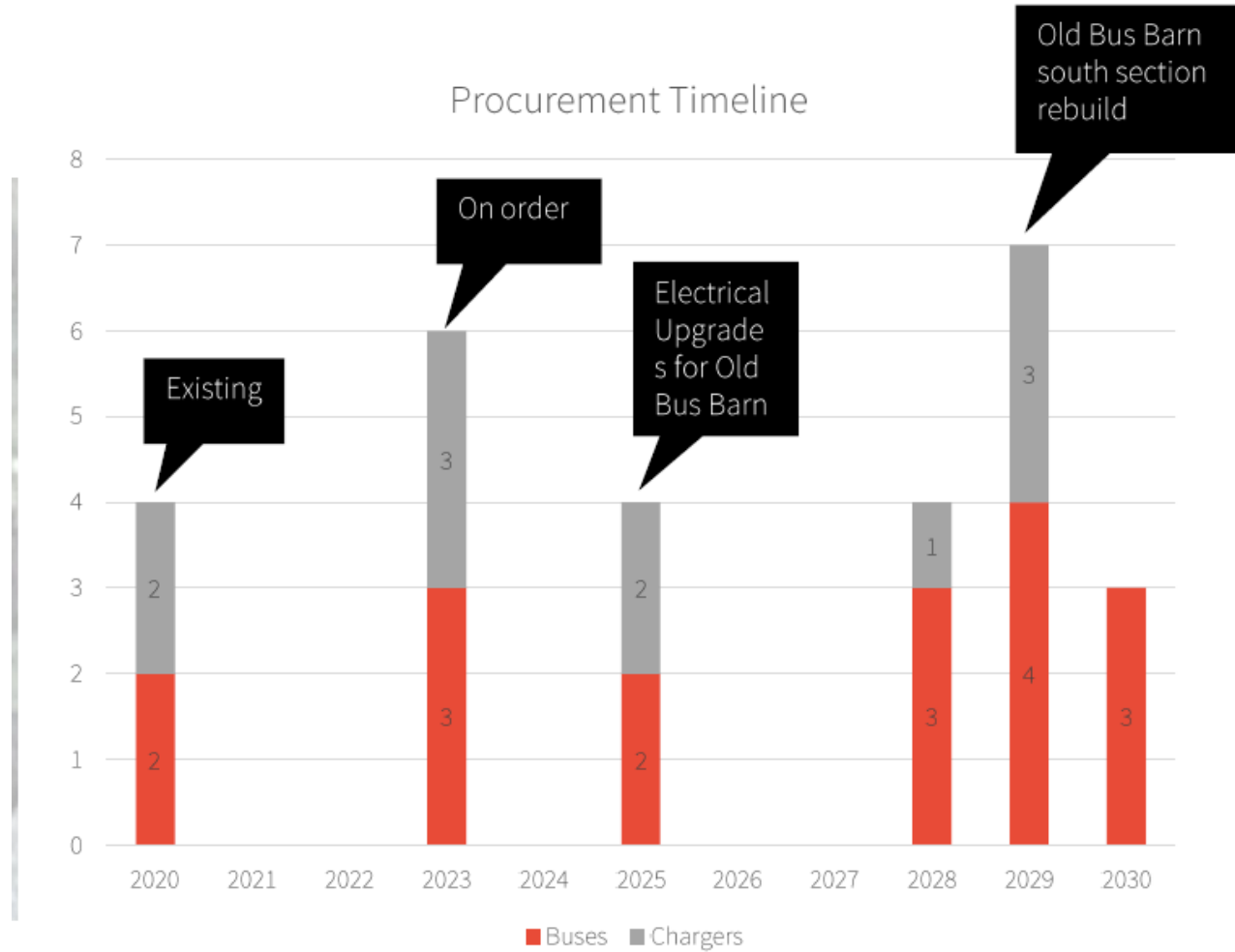


# Electric Bus Performance Assumptions

- ▶ The performance data analyzed was from our current BEB's on our Yellow Route in the coldest winter conditions over a period of several months
- ▶ 20% safety margin
- ▶ 20% margin for battery aging
- ▶ Reality is that it can be much worse



# Transition Plan



# Requirements for 100% Electric Operation

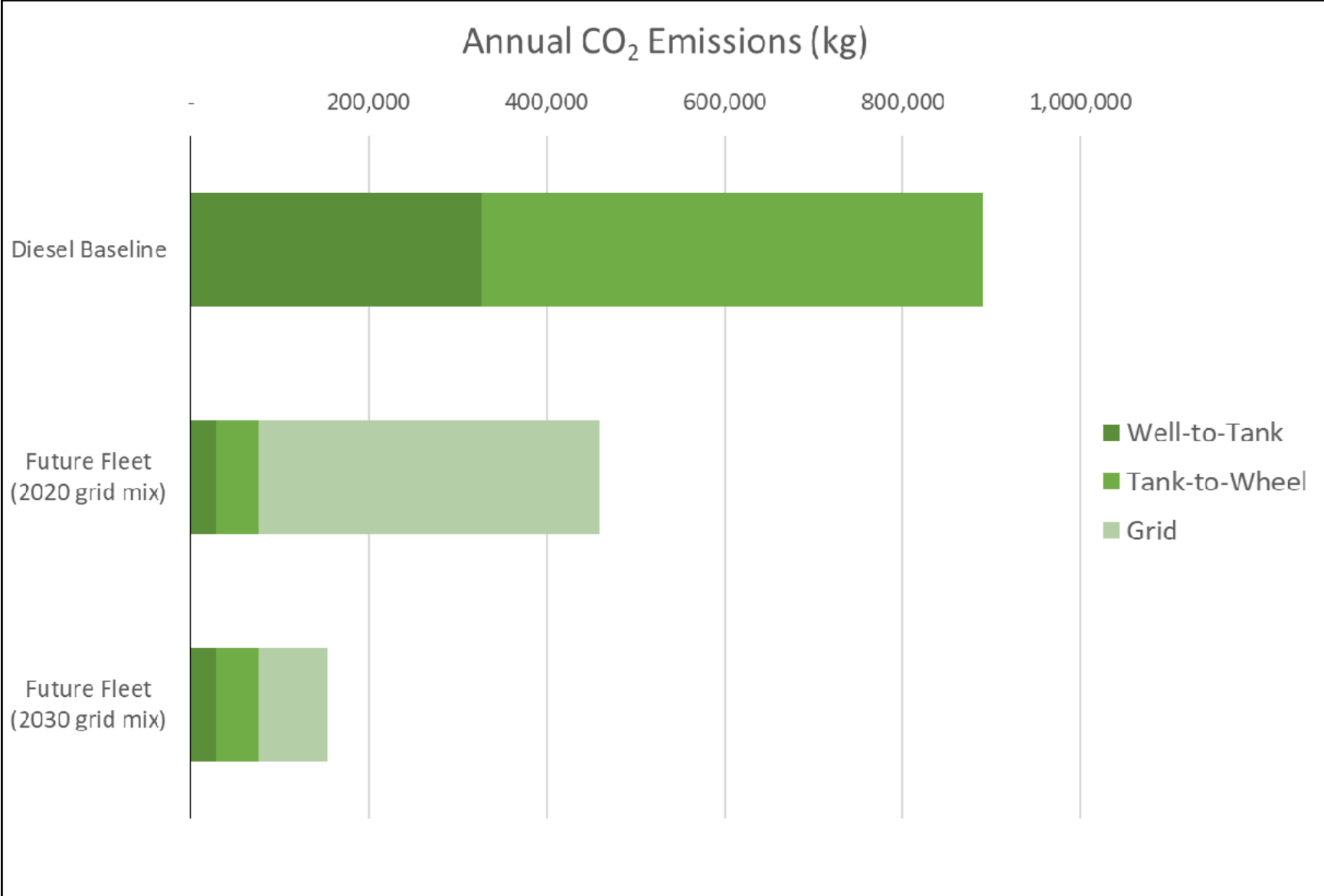
18 BEBs

2 of which are Trolleys (outfitted BEBs)

Currently the 'new bus barn' will require 1 additional charger 60 or 120 kW with one dispenser (6 total chargers)

The 'old bus barn' will require a rebuild and 7 high speed chargers with two dispensers each

# Emissions Estimate



# Surprises? You bet.

- ▶ Leverage battery purchases using grant funding
- ▶ Complete facility tear down and remodel - big time construction
- ▶ Limitations of vehicle availability
- ▶ Cost savings? Maybe not
- ▶ Routes needing to be optimized
- ▶ Internally drivers and mechanics resistance to change
- ▶ Facility maintenance
- ▶ Charging infrastructure maintenance

# Current challenges

3 Proterra / Phoenix BEB's out of service 6+ months

New BEB's 2.5 years out

Current aging fleet

Fleet mechanic training

2030 is aggressive

# Take aways

- ▶ Continue the momentum from current deployments
- ▶ Old barn renovation timeline is very important
- ▶ Consider switching from battery leasing to purchase (with extended warranty)
- ▶ Battery charging software necessary
- ▶ Continue monitoring the performance of BEBs
- ▶ Continue monitoring the development in technology
- ▶ Work with energy provider early in the process
  - ▶ It took 2 months to get a site visit due to varying schedules



# Why is this plan useful / why do we need it?

- ▶ A solid timeline is necessary
- ▶ Critical data gets a deep dive
- ▶ Full fleet assessment
- ▶ Future route planning can be tailored around EV's
- ▶ Vehicle acquisition strategy
- ▶ Driver and fleet mechanic training requirements
- ▶ And more!

# ▶ Questions?



# CTE Planning Grants

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Mike King, CDOT



# Current State of ZEV Transition Planning

- There are 80+ entities in Colorado that provide transit services to the general public or a segment of the public defined by age, disability, or low income that are eligible to receive CTE ZEV Planning Grant funding
- To the best of our current knowledge, the current tally of agencies in terms of their fleet transition planning is:
  - Approximately 12 have completed a ZEV Fleet Transition Plan
  - 5 are in the process of developing a plan
  - 4 have been awarded CDOT and/or CTE funding to develop a plan
  - the remaining 60+ have not yet begun a fleet transition planning process
- Our goal is to help move agencies from the last category into the awarded, plan development, and completed plan categories



# Plan for Round 2 of CTE Planning Grants

- DTR typically issues two calls for projects per year:
  - One NOFA in the Summer/Fall for the following calendar year of Admin/Operating/Planning/Mobility Management funding, which includes the CTE Planning grant opportunities
  - One NOFA in the Winter/Spring for Capital projects, which includes CTE Infrastructure, Facilities, and Vehicles grant opportunities
- Timing of FY25 Transit Funding NOFAs are as follows:
  - Planning - November 2024
  - Capital - Winter/Spring 2025
- Funding Available in FY25 Planning Grants
  - In Round 2, we plan to make \$750,000 available for award to applicant agencies



# Round 1 Planning Grant Requirements

- Target grant amount between \$25,000 and \$50,000
- 10% match requirement, cash or in-kind
- Awardees are required to work with a consultant - no in-house plans
- Implementation timeline 12-24 months from notice to proceed
- Recommended elements:
  - Fleet transition targets and timelines
  - Route analyses
  - Budgetary impacts and required resources
  - Workforce development
  - Coordination with utilities, local govts, private sector partners
  - Public engagement elements in support of the above



# Round 1 Planning Grant Scoring Criteria

- Weighting of application scoring criteria:
  - 35% Project Need & Benefit
  - 30% Equity, Inclusivity, & Service to DICs
  - 15% Project Readiness
  - 10% Agency Capacity
  - 10% Application Quality
- In Round 1 (and previous, CDOT-funded grant rounds) there were more funds available than requested, so final award recommendations were more pass/fail than ranking between proposals
- The scoring committee included representatives of CDOT DTR, CDOT OIM, CEO, CDPHE, NREL, and CASTA



# Next Steps for Staff

- Based on this review of the Round 1 program details and scoring criteria, CDOT staff are not recommending any fundamental changes to the process or approach
- With the Board's endorsement, CDOT staff will develop and schedule the release of the next Notice of Funding Availability (NOFO) for CTE Planning grants in coordination with the DTR NOFA to be released in approximately November 2024
  - Promotion will be targeted to transit agencies without a current plan established, in-progress, or awarded





# Feedback & Discussion





# Upcoming Meetings and Topics

## Upcoming Meetings:

- Returning to Monthly Meeting Cadence

## Topics:

- SB24-230 Implementation
- Other topics at the Board's pleasure



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<https://www.codot.gov/programs/innovativemobility/cte>

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- [OIM Grants](#)
- [Previous CTE Board Meeting Documents](#)

## Clean Transit Enterprise

The Clean Transit Enterprise supports public transit electrification planning efforts, facility upgrades, fleet vehicle replacements and the purchase and installation of electric vehicle charging and fueling infrastructure through the clean transit retail delivery fee; and invests in public transit, including vehicles, infrastructure, equipment, materials, supplies, maintenance, and operations and staffing through the oil and gas production fee.



### About the Clean Transit Enterprise

The Clean Transit Enterprise (CTE) was initially created within the Colorado Department of Transportation (CDOT) under SB21-260 to support public transit electrification planning efforts, facility upgrades, fleet motor vehicle replacement, as well as construction and development of electric motor vehicle charging and fueling infrastructure. SB21-260 allows the enterprise to impose a clean transit retail delivery fee to fund its operations, and to issue grants, loans or rebates to support electrification of public transit.

The business purpose of CTE was expanded with the passage of SB24-230 to include reducing and mitigating the adverse environmental and health impacts of air pollution and greenhouse gas emissions produced by oil and gas development by investing in public transit, including vehicles, infrastructure, equipment, materials, supplies, maintenance, and operations and staffing to achieve the level of frequent, convenient, and reliable transit that is known to increase ridership by replacing car trips with bus and rail trips and forms of transit known to support denser land use patterns that further reduce pollution due to shorter trip lengths and greater walking and cycling mode share. SB24-230 requires the CTE to impose a production fee for clean transit to be paid quarterly by every producer of oil and gas in the state effective July 1, 2025.

### CTE Capital Grant Program Awards

[Selected Projects](#)

[Projects Not Selected](#)

### Contact Us

[Contact Us](#)

### Resources

- [Clean Transit Enterprise Dashboard](#)
- [Clean Transit Enterprise 10 Year Plan](#)
- [2021 Transit Zero Emission Vehicle \(ZEV\) Roadmap](#)
- [Previous CTE Board Meeting Documents](#)
- [2022 CTE Annual Report](#)
- [2023 CTE Annual Report](#)

### Upcoming Meetings

Board Meeting  
Tuesday October 29, 2024 10:30-12:00  
[YouTube Link](#)  
Board Packet

### Subscribe for CTE Updates

\* indicates required

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THANK YOU!



# Clean Transit Enterprise Board Meeting Minutes

## 10/29/2024

Regular Board Meeting - Tuesday, October 29, 2024. 10:30 am - 12:00 pm  
Virtual via Zoom Meeting  
Video Recording: [ADD LINK](#)

Kay Kelly CDOT - Time: 10:32

- Good morning everyone, we're gonna give it a few more minutes, wait for everyone to join. Can everyone hear me?
- \*Confirmation that she can be heard\*

1. Call to Order and Roll Call (Chair Frommer) - Time: 10:33

- Good morning everyone, I'm seeing Directors Block and Trowbridge.
- Director Garcia is absent.
- Not seeing Director Jones
- Director Averill is here
- Friends from CDOT and CEO
- Director Coffin is here

2. Public Comments - Time:10:34

Kay Kelly - we did not have any requests for public comment this month

3. Action Agenda (Chair Frommer) - Time: 10:35

a. DECISION ITEM: Approval of Minutes - 9/24/24 CTE Board Meeting

Matt Frommer - Any questions or discussion on this item?

Motion by Director Frommer, seconded by Director Coffin. No oppositions or absentions.

Minutes approved

4. Program Administrator Update (Kay Kelly, CDOT) - Time: 10:35 - 10:50

- We did post a job announcement for the CTE manager, that announcement closed on 9/12. We've completed 2 rounds of interviews, hoping to have an offer out soon. HOping to have them on before the next board meeting.
- The CTE is required to submit an annual report to the legislature, we've been doing this from the inception of hte enterprise. The 2024 report has been drafted, I will be circulating that for the board sometime this week hopefully. Just FYI we are checking hte box on that annual deliverable.
- What you're seeing on the slide is our updated public accountability platform. This includes our newly approved capital awards. The website has also been recently updated to include language surrounding SB230, Oil and Gas fees.
- All current board members are going to continue serving until their reappointed or replaced, we appreciate the patience about this process.
- Future board meeting scheduling.
  - With board work ramping up with oil and gas fees, we are returning to

monthly meetings. the last tuesday and wednesday of the month. We would like to do one more ad hoc meeting in december, in future years we will move to the last Tues or Wednes.

- If anyone has some conflicts with that let us know.
- Not seeing any feedback about that.

Rick Coffin - Hey Kay, do you have any time in mind?

Kay Kelly - Not really. If anyone has a particular time that works better though we can schedule around that information

Matt Frommer - I have a few standing meetings at those times. Maybe we can set up a doodle to see what folks' availability is

Kay Kelly - We'd like this to be rather regular so folks can plan around it

For our December meeting, we don't want this to be during the holidays. We're looking at December 7th at 1:00

Text me or DM me here if there's any questions or concerns about that

- With the oil and gas fee production topic, we are hiring that enterprise manager which will be helpful. We are also looking at bringing on some consultants for stakeholder outreach and formula development. We should have more to share at our January meeting. Once we have our new role filled, they will handle the oil and gas incentives full-time.
- For retail delivery fee work, we have some updates for upcoming ZEV planning grants. We have a guest speaker from the Town of Breckenridge and Mike King will be speaking today.
- 5. Enterprise Financial Update (Kay Hruska, Cassie Rutter and Sam Foster, CDOT) - Time:
  - Kay Hruska - Here is the year-to-date FY budget. We are still in the process of getting the TC loan to cover O&G fees, once that agreement is signed we will disburse the funds and whatnot. If there are any questions I'll take those.
  - Sam Foster OFMB - I'll go over the revenue and the current cash balance. Here's a snapshot of our current cash balance, just under \$22 million. I'll turn this over to Ryan
  - Ryan Long - I'm a revenue analyst within OMFB. We're primarily using OEIA data for revenue forecasts, we'll update this every quarter. This shows our forecast for the next two fiscal years, this is limited from Prop 117, this could vary depending on the retail delivery fee revenue we get. If we get too much there it could limit how much we get from O&G. I want to highlight the variability of these fees, they will vary based on oil prices.

Matt Frommer - what are the best practices from us as far as managing these issue? How do we best manage our funds to account for this?

Ryan Long - Outside of budgeting conservatively, coming back and updating the budget frequently. Since we will release quarterly updates, just saying on top of it and being willing to issue quick updates will be very useful.

- 6. CTE FY26 Draft Budget (Kay Kelly, CDOT) - Time: 10:50 -

- I'm gonna lead the convo on this proposed budget for next year. I might call on OFMB folks for their expertise as well. Here is a timeline for our budgeting. Today we have a decision item for the board to approve our proposed budget, once we do that it'll go to the Transportation Commission, after that it'll go to the governor's office and legislature, we update it with anything that's changed with a final approval at our February meeting.
- Here's the big picture of different parts of our budget.
  - Revenues include retail delivery fees and forthcoming O&G fees
  - Expenses include
    - Admin and agency operations
      - Staff salaries, those who prepare materials for meetings, take notes on meetings etc
      - This has typically been a small part of retail delivery fee revenues, with O&G it becomes much larger. We will have to split this billing about 70% to O&G fees and 30% to retail delivery fees
    - Contingency reserve
      - Director Frommer was getting at this a little when Ryan Long was discussing the unpredictability of O&G revenues. We set this at 10% for retail delivery fees, we saw a lot of inflationary impacts on vehicle prices. We wanted to set aside money for those sorts of issues. We are assuming we will keep 10% of retail delivery fees, we haven't developed any contingency plans for O&G revenues yet.
  - We also have higher numbers for consultancy fees associated with O&G revenues
  - We also expect to pay back the TC loan from the O&G production fees
  - This leaves us
  - We have about 98% of all revenue going into grant programs, only about 2% into administrative costs

At a high level this is what you see in these different categories. At the top we've got total revenue for FY 26 at just over \$70 million. The next green line will be admin and agency costs, a total of yellow lines below. Our salary costs are anticipated to be higher

- i. Matt Frommer - There's \$250,000 for professional services. Why do this with a consultant, why not in-house?
- ii. Kay Kelly - We're discerning when we do things with consultants vs in house
  1. It's going to be an intense process for 6-8 months. We don't have the capacity or staff who could put all other work off to the side and be solely dedicated to this program for this length of time. We would bring a full-time person to work on this after the consultant is done
- iii. Rick Coffin - For the in person meetings, has there been any thought about where these would be? Might they include field trips

- iv. Kay Kelly - We've only met virtually so far. We'd like to have some convos about formula development in person. The cost assumptions include having commissioners travel to CDOT HQ.
- v. David Averill - Hey Kay, quick Q. How might these O&G fees relate to the development of the statewide plan, it looks like these are coming in before that is complete. It doesn't really seem optimal to make these plans before that statewide plan is complete.
- vi. Kay Kelly - This is a good question. There's a whole constellation of plans whose timelines don't always match. We have good guidance in the statutes. I'm not terribly concerned about things not lining up perfectly, we seldom have a perfect world. It's a good question and we'll keep these in mind as we move forward.
- vii. David - Thank you.

7. DECISION ITEM: Approval of FY26 CTE Draft Budget TIME: 11:06

- a. Motion by Chair Frommer to adopt proposed budget
- b. Second by Chair Averill
- c. No oppositions or abstentions
- d. Motion Passed

8. Town of Breckenridge ZEV Transition Planning (Andy Cotton, Town of Breckenridge) - Time: 11:07

- a. Before we get started, I just wanted to give everyone a brief overview of what I'll be talking about. If you want a deep dive into our ZEV transition plan itself, that's a different set of slides.
- b. Here's a quick overview of what we do
  - i. We operate 4-8 bus routes, more in the winter starting here in a week
  - ii. On those 8 routes we have over 1 million per year
  - iii. We have a high density population in a small town, lots of folks who need to use these buses. 35-50 FTEs, 44 Full time bus drivers
  - iv. With being at 9600' we expect annual snowfall of 350"
  - v. 12 Diesel buses, 2 diesel hybrids, and 5 BEBs
    - 1. 2 60kw depot chargers
    - 2. 3 120kw depot chargers
  - vi. If we plugged these all in at the same time we might have issues though



- c. Why do we want ZEVs in Breckenridge?
  - i. We have such a high density pop on our main lines, we're really trying to reduce emissions in the main part of town. How could we make sure save money, reduce emissions, etc?
- d. Our goal is fully electric by 2030
- e. Why does Breck need a fleet transition plan?
  - i. Limited time from in house staff
  - ii. Limited knowledge in specific areas
  - iii. Difficulty in getting utility involved
  - iv. Total cost for our plan was \$45,000, CDOT covered most of that with their grant
    - 1. Top proposal was from Hatch, they'd done this a few times. They had a local person, from Denver.
- f. We had a whole lot of data and site visits associated with this study. We needed to produce and provide a lot for our consultants.
- g. Surprises:
  - i. We were informed that we'd need a complete facility tear down and rebuild
  - ii. Cost savings? It's gonna take longer than expected.
  - iii. Managing resistance to change with mechanics and drivers
- h. We have  $\frac{3}{5}$  Proterra buses, new buses are 2.5 years out.
- i. This requires lots of forethought and planning
- j. We have quite a bit of mechanic training
- k. 2030 timeline is aggressive
- l. Key Takeaways:
  - i. Continue momentum from current deployments
  - ii. Bus barn renovations are time consuming and important
  - iii. Consider switching from battery leasing to purchase
  - iv. Battery charging software necessary
  - v. Monitor new tech developments
  - vi. This really helped us get a solid, realistic timeline.

1. Full fleet assessment
2. Future route development and vehicle acquisition strategy
3. Driver and fleet mechanic training requirements

Rick Coffin - I have a couple quick questions

You mention reaching out to utilities early. What kind of timelines are involved here? How long does this take? Years?

Andy Cotton - It's not years. If you plan it the year before, you could have utility upgrades by the following summer. Up here, but really everywhere in CO, you can have lots of issues for working in the winter

Rick Coffin - What's typically the plan for diesel buses transitioned out. Are they sold?

Andy Cotton - It depends on how you're funded to replace them. We had VW funds and those required those buses to be destroyed. Otherwise, we just send them to auction or keep them for parts.

Rick Coffin - Do you think that an incentive, from the CTE say, offering an X % more for scrappage similar to VW would that be of interest?

Andy Cotton - If it resulted in more funding I'd think folks would be interested. That they'd like it. Keeping them for parts can be fairly important. If you offer more money for scrappage though we'd be interested in that.

#### 9. CTE Planning Call for Projects (Mike King, CDOT) - Time: 11:28

- Mike King - Breckenridge is a leader in this space, so really appreciate you speaking with us Andy.
- A great place to transition to this topic of CTE planning Grants
- We've been working internally to try and get a sense of the landscape that's out there. We're looking at all the transit agencies, 80+ that are eligible for SB260.
  - Approx 12 of them have completed a ZEV plan, 5 are in the process of developing the plan, 4 have been awarded funds, and the remaining 60 or so have not begun yet.
  - This is an opportunity for the CTE to help move agencies from the haven't started, into the process of having a plan. This will make them better equipped to actually implement these projects.
  - As you know DTR typically issues one NOFA in the summer/fall for admin/operating/planning
  - One NOFA in the winter/spring for capital projects
  - For FY 25 we are hoping to issue NOFA for planning in November or so
  - Capital projects in the winter/spring of early next year

- For the previous round of planning
  - Target amount of between \$25-50k
    - Not a hard cap or minimum or anything
  - 10% match requirement, cash or in kind
  - Awardees are required to work with a consultant, no in house plans
    - For a lot of reasons Andy described, it's really helpful to have some outside expertise
  - Implementation timeline of between 12-24 months, ideally closer to the 12 month side
  - Recommended elements:
    - Transition timelines and targets
    - Route analysis
    - Budget impacts
    - Required resources
    - Workforce development
    - Coordination with utilities and other stakeholders
    - Public engagement in sppt of the above
- Weighing of application scoring criteria
  - 35% projet need and benefit
  - 30% equity and DI communities
  - 15% project readiness
  - 10% agency capacity
  - 10% application quality
  - In earlier rounds there were generally more funds available than applicants
  - The scoring committee included CDOT DTR, OIM, CEO, CDPHE, NREL, & CASTA
- Based on these, CDOT staff aren't suggesting any fundamental changes to this process or approach
  - If the board is willing to endorse this approach, we will develop and schedule the release of the next NOFA next month.
- There are 60 agencies we've ID'd that would be good fits for this process.
- Feedback and discussion:
  - Matt Frommer - I think the way to score proposals is right. As a state we have the goal to have 1000 ZEVs on the road by 2030
    - Mike King (150 right now but many aren't in service yet)
  - Thinking about all that, 60 agencies with no planning yet. There's a handful of really large ones, the top 5 possibly having about 80% of all transit vehicles in service. What're we hearing from some of these other agencies
    - Mike King - RTD in process, transfort has one. MMT is the largest that doesn't have one to my knowledge. RFTA has one. If we were to look at the list of 60, moving down the list by size would make sense but many of the biggest already have a plan, the challenge is pursuing infrastructure and facilities. So there's size but also other factors - utility factors, services, etc etc
  - Matt Frommer - Any from Eagle County or CORE Transit
    - Mike King - They have a couple, yes. Also Grand Valley has a relatively large fleet, they have some LNG vehicles powered by

- locally produced fuel.
- Matt Frommer - We did talk to MMT, what's their interest
  - Mike King - they had a couple vehicles they were piloting, I think they had a rough experience with them. We're in convo with them about their interest in pursuing this further. That is certainly something we want to continue supporting them on though.
- David Averill - Thanks Mike. To get to Matt's question, my sense is that for some of the big ones who've made a move, it was a policy decision made by a governing board, for some of the smallest agencies, I'll speak for SMART, we approached it as a feasibility study. Many of our tradeoffs were financial, here the margin for error is smaller. Maybe more caution for smaller agencies is needed. I think it's all good either way but that might help in increasing interest for smaller agencies.
  - Mike King - I think that's an excellent point. I do want to clarify that developing a plan is not a commitment to go electric or even begin that process. Framing a planning grant as a feasibility study or assessment is completely okay from my perspective. They don't have to reach the conclusion "GO EV!". If they do a good faith effort and decide not to go for it, that's fair in our view. We think learning from this process will be valuable no matter what. You're totally right about smaller agencies, they have less wiggle room. I still think there's an argument that if we can minimize the time and financial burden of this process, they'll benefit long term w/o long term commitment.
    - One other thing I'll mention is that some agencies might be able to cooperate and plan together, Crested Butte and GV for instance.
      - I think we're open to whatever form of planning support agencies find useful
- Matt Frommer - As for RTD's plan, what's the timeline?
- Mike King - I believe late december, i'll be reading that with great interest. They're a huge player in this space.
- Matt Frommer - When you find that can you share with the group?
- Mike King - Yes

10. Adjournment: Time: 11:50

- Matt Frommer - See y'all next time.