



**COLORADO**

Department of Transportation

# Clean Transit Enterprise Board

September 24, 2024



# AGENDA

- Welcome and Roll Call (Chair Frommer)
- Public Comments
- Action Agenda (Chair Frommer)
  - DECISION ITEM: Approval of Minutes - 8/21/24 CTE Board Meeting
- Program Administrator Update (Kay Kelly, CDOT)
  - DECISION ITEM: Approval of Final Motion for CTE Capital Awards
- Enterprise Financial Update (Kay Hruska, Cassie Rutter and Sam Foster, CDOT)
  - DECISION ITEM: Approval of TC Loan for SB24-230 Start-up Costs
- CTE Planning Call for Projects (Kay Kelly and Emily Crespín, CDOT)
- Adjournment

# Program Administrator Update

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Kay Kelly, CDOT



# Program Administrator Update

- CTE Director Job Announcement closed September 12th
- Oil and Gas Production Fee Business:
  - Start-up Loan Approval
  - Administrative Preparations
- Retail Delivery Fee Business:
  - Planning for next round of Transit ZEV Planning Grants
  - Final, Corrected Motion for CTE Capital Grant Awards



# Amended Motion for Board Consideration (Identical to Original Proposed Motion)

*Move for the Clean Transit Enterprise Board to approve the 2024 Capital Awards as detailed in the award recommendations memo and based on the recommendations of the scoring committee and Enterprise staff:*

- \$1,500,000 in programmed funds for 1 facility project*
- \$384,000 in programmed funds for 1 infrastructure project*
- \$13,116,000 in programmed funds for 9 vehicle projects that will result in 28 vehicle purchases*

# Enterprise Financial Update

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Kay Hruska, Cassie Rutter and Sam Foster, CDOT



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

Fiscal Year 2024-25 Budget to Actual for Fund 540						
Clean Transit Enterprise						
Line Item		Approved Budget	July 2024	August 2024	Total Quarter 1	Remaining Funds
1	<b>Fiscal Year Revenues</b>					
2	Clean Transit Retail Delivery Fee	\$ 9,902,388	\$ 851,113	\$ 918,486	\$ 1,769,600	
3	Interest Revenue	-	-	60,352	60,352	
4	<b>Total FY 2024-25- Revenue</b>	<b>\$9,902,388</b>	<b>\$851,113</b>	<b>\$ 978,838</b>	<b>\$ 1,829,952</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	\$ 3,851	\$ 446,399
9	Attorney General Fees	5,000	-	-	-	5,000
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>\$ 3,851</b>	<b>\$ 3,851</b>	<b>\$ 556,599</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>\$ 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>\$ 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 FY24 Q4: \$11,300,000  
(based on final approved fee of \$0.0322)

## FY 2025-26 Revenue:

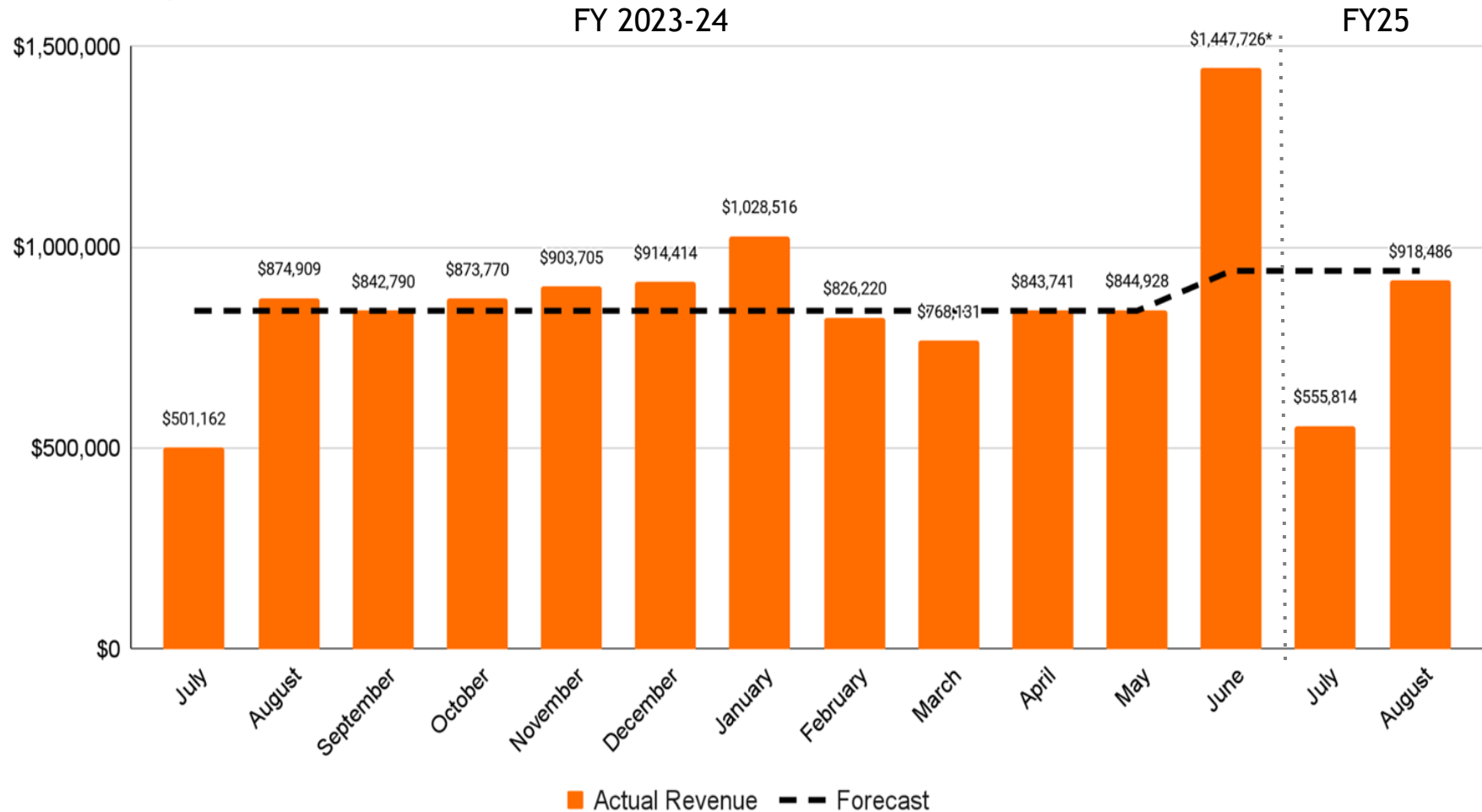
- Forecast in FY25 Q1: \$12,600,000

## 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 September 17, 2024	\$21,027,496
Total FY25 Spending Authority Adopted by Joint Budget Committee 2/8/24	\$18,134,321



# SB24-230 Start-Up Loan - Process Steps

- Staff developed an estimate of start-up costs that was presented at the Transportation Commission workshop on August 14, 2024.
- Transportation Commission approved setting aside \$600,000 from their Program Reserve fund for purposes of a loan to CTE for SB24-230 start-up costs at the August 15, 2024 meeting.
- CTE Board approved the loan amount at their August 21, 2024 meeting.
- Transportation Commission approved the loan agreement at their September 19, 2024 meeting.

## Next Steps:

- Loan documents have been prepared and are being presented to the CTE Board for final approval and signature at today's meeting.



# Proposed Motion for Board Consideration

*Move for the Clean Transit Enterprise to accept the Transportation Commission loan of \$600,000 for start-up costs relating to SB24-230.*

# CTE Planning Grants

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Kay Kelly and Emily Crespin, CDOT



# Importance of Transition Planning

- CTE capital programs include agency planning and readiness in their scoring criteria to ensure that awardees are in a position to successfully deploy ZEVs and supporting infrastructure
  - Agencies with an established fleet transition plan can document their goals, targets, anticipated challenges and how they will mitigate them, etc.
  - It also requires staff to work across silos to assess holistic impacts *before* jumping right into procurement and implementation
- FTA 5339(c) Low- and No Emission Program (aka “Low-No”) requires applicants to include a fleet transition plan that addresses:
  - Fleet management, available resources, relevant policy and legislation, facilities evaluation, relationship to utility/fuel provider, and workforce impacts
- Technology is rapidly changing, so transition planning helps agencies to balance opportunities and risks while building broader stakeholder support in advance



# Schedule for Round 2 of CTE Planning Grants

- CTE rules state that we will coordinate our CTE Notices of Funding Availability (NOFAs) with standing DTR consolidated calls for projects
- 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 - late Fall 2024
  - Capital - Winter/Spring 2025



# Recap of Round 1 Awards

<u>Agency</u>	<u>Committee Recommendation</u>	<u>Recommended Grant</u>
City of Pueblo	Award	\$99,000
Laradon Hall Society for Exceptional Children and Adults	Award	\$90,000
Neighbor to Neighbor Volunteers (aka Chaffee Shuttle)	Award	\$40,500
Via Mobility	Award	\$67,500
<b>Total</b>	–	<b>\$297,000</b>



# Other Transit ZEV Planning Resources

- The Joint Office of Energy & Transportation (JOET) offers free technical assistance and resources for transit agencies transitioning to low- and zero-emission vehicles on their webpage here:
  - <https://driveelectric.gov/transit-agencies>
- The [Clean Bus Planning Awards \(CBPA\) Program](#) is designed to provide school and transit bus fleets with free technical assistance to develop customized fleet electrification plans
  - 40 transit agency participants so far, but none from Colorado yet
  - Applications are reviewed on a rolling basis
  - After the completion of a transition plan, NREL offers up to 3 years of deployment assistance





# Next Steps for Staff

- CDOT staff will review CTE Planning grant requirements and scoring criteria to assess whether or not any updates from the previous offering may be necessary and report back to the Board for input/approval
  - Once a timeline for the FY25 Planning Call is established, staff will promote it to potential transit agency applicants
- CDOT staff will also develop a Transit Fleet Transition Plan Tracking Sheet so that we can better understand who currently has a plan, who is actively developing one, and who might be interested in applying for CTE Planning funds in FY25 or beyond



# Feedback & Discussion





# Upcoming Meetings and Topics

## Upcoming Meetings:

- Returning to Monthly Meeting Cadence

## Topics:

- FY25-26 Budget Development
- SB24-230 Implementation
- Other topics at the Board's pleasure



# Clean Transit Enterprise Information

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### Resources

- Clean Transit Enterprise
- Electric Vehicle Ride & Drive Event
- Electrification
- Mobility Services
- Mobility Technology
- Transit and Rail

## Clean Transit Enterprise

To support Colorado's transit electrification through planning efforts, transit site upgrades, procurement of electric transit buses, and deployment of associated charging infrastructure.



### About the Clean Transit Enterprise

This enterprise is created within the Colorado Department of Transportation (CDOT) 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. The bill 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.

### Contact Us

[cdot\\_cleantransitenterprise@state.co.us](mailto:cdot_cleantransitenterprise@state.co.us)

### Resources

- [Board Appointments](#)
- [Enterprise Funds](#)
- [Board Powers & Duties](#)
- [Clean Transit Enterprise 10 Year Plan](#)
- [2021 Transit Zero Emission Vehicle \(ZEV\) Roadmap](#)
- [Clean Transit Enterprise Processes and Fees, 2 CCR 607-1](#)

### Upcoming Meetings

Board of Directors Meeting  
July 13, 2022  
12:00-2:00 pm  
[YouTube Link](#)  
[Schedule & Agenda](#)

### Prior Meetings

Board of Directors Meeting - January 31st, 2022  
[Video Recording](#)

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THANK YOU!



# Clean Transit Enterprise Board Meeting Minutes

## 9/24/2024

Regular Board Meeting - Wednesday, September 24, 2024. 1:00 - 1:45 pm

Virtual via Zoom Meeting

Video Recording: <https://www.youtube.com/live/LmvXiPPCNh8>

### 1. Call to Order, Roll Call (Matt Frommer) - Time 1:10

Present: Chair Frommer. Director Block. Director Jones. Director Averill. Director Coffin. Director Blynn. Excused: Executive Director Lew. Director Garcia. Director Trowbridge.

### 2. Public Comment - Time 1:13

No requests for public comment this month

### 3. Action Agenda - Time 1:13

- **DECISION ITEM - Approval of minutes from August 21, 2024 CTE Board Meeting**
- Motion by Chair Frommer. Seconded by Director Averill.
- Motion approved unanimously.
- No opposition or abstentions.

### 4. Program Administrator Update (Kay Kelly) - Time 1:14

- The CTE is hiring a Director. Job announcement closed on 9/12. Program staff are currently reviewing applications. We will report back in October.
- This and future Program Administrator Updates will clearly delineate which funding source we are referring to - Retail Delivery Fee or Oil and Gas Production Fee
- Oil and Gas Production Fee:
  - Once the oil and gas production fee startup loan is approved today, we can start making preparations for the new cash funds established in SB24-230, including planning for the new grant programs.
- Retail Delivery Fee
  - We submitted a decision item to the Office of State Planning and Budget (OSPB) to change the Clean Transit Retail Delivery Fee to a continuously appropriated revenue stream as opposed to an annually appropriated one. OSPB has accepted the decision item and it will be sent with the Governor's budget request on November 1, 2024. The joint budget committee will decide if they want to create legislation for this item. We will continue to keep the board posted as we move through this process.

- Last month during the approval of the CTE Capital awards, the Board set aside two awards pending an eligibility review by legal counsel. Our legal counsel determined that the awards were eligible and communicated that decision to the board the next day via email. The Board had no further questions. Unfortunately, we later discovered a typo in the dollar amount of the amended motion from the August 24th meeting so I conferred with legal counsel on how to proceed. It was clearly the intention of the board to proceed with funding all eligible projects and it's not the board's fault that staff had a typo in the motion. We did proceed with the award announcements, but we'd like the Board to approve an amended approval motion just to be 100% accurate in the dollar amounts approved for the capital awards.
- No discussion or questions
- **DECISION ITEM - Approval of Final Motion for CTE Capital Awards - Time: 1:19**
  - Motion by Chair Frommer for the Clean Transit Enterprise Board to approve the 2024 Capital Awards as detailed in the award recommendations memo and based on the recommendations of the scoring committee and Enterprise staff:
    - \$1,500,000 in programmed funds for 1 facility project
    - \$384,000 in programmed funds for 1 infrastructure project
    - \$13,116,000 in programmed funds for 9 vehicle projects that will result in 28 vehicle purchases
  - Seconded by Director Jones
  - Motion approved unanimously.
  - No opposition or abstentions

## **5. Enterprise Financial Update - Time: 1:21**

- Kay Huska: CTE has collected just over \$1.7 million dollars in revenue for the quarter through August. The majority of the expenses are for staff time.
- Sam Foster:
  - We are forecasting FY 25-26 revenue at \$12.6 million. Oil and Gas Production Fees revenue forecast remains the same as what was described in last month's meeting.
  - FY 23-24 year end cash balance is approximately \$19.5 million. Cash fund balance as of 9/17/24 is approximately \$21 million. Total FY 25 spending authority by Joint Budget Committee is approximately \$18.1 million
  - Staff developed a cost estimate for the SB24-230 Oil and Gas Production Fee start-up costs loan, which was presented to the CDOT Transportation

Commission (TC) at their August workshop. The Commission approved setting aside \$600,000 from the TC reserve for the loan. The CTE Board approved that loan amount at the August 24th meeting. At the September TC meeting, the loan agreement was approved. The next step is for the CTE Board to approve the loan agreement, which was included in this meeting packet.

- **DECISION ITEM - Approval of TC Loan for SB24-230 Start-up Costs - Time: 1:24**

- Motion by Chair Frommer for the Clean Transit Enterprise to accept the Transportation Commission loan of \$600,000 for start-up costs relating to SB24-230.
- Seconded by Director Jones.
- Motion approved unanimously.
- No opposition or abstentions.

**6. Upcoming CTE Planning Grants (Kay Kelly) - Time: 1:25**

- Agencies with transition plans tend to be more successful in their transition to ZEV fleets. CTE capital award evaluation criteria includes a consideration for how much agencies have planned and assessed their own readiness because we think it's really important for the deployment of these buses. The FTA also requires a fleet transition plan for similar reasons.
- At the request of transit agencies, CTE rules state that we will coordinate our calls for projects with standing calls for transit projects issued by CDOT's Division of Transit and Rail (DTR). DTR typically issues two calls for projects a year - one for admin/operating/planning/mobility management funding, which includes the CTE planning grant opportunity and one for capital projects which includes CTE's infrastructure, facilities, and vehicle grant opportunities.
- Timing of the FY 25 transit funding NOFAs are as follows;
  - Admin/Operating/Planning/Mobility Management - late 2024
  - Capital - winter/spring 2025
- In addition to our CTE planning grants, there are some other opportunities for transit agencies to consider:
  - The U.S. Joint Office of Energy & Transportation offers free technical assistance and resources for agencies transitioning to low and zero emission vehicles
  - The Clean bus planning awards program is designed to provide school and transit bus fleets with free technical assistance to develop customized fleet electrification plans
- Next steps for the CTE planning grants:



- CDOT staff are currently doing a due diligence review of the grant requirements and scoring criteria that the Board approved for the first round. If they have any suggestions or clarifications to improve the next round of grant applications, they will bring those to the Board for input and approval at the next meeting.
- Staff is promoting our planning grants with transit agencies along with the other Federal opportunities mentioned
- Staff are developing a tracking sheet of which agencies in Colorado have or are in the process of developing ZEV transition plans.
- Questions:
  - Chair Frommer: I like the idea of a tracking sheet. Do these fleet electrification plans have projected ZEV procurements for each year? Can we collect that data to inform the CTE portfolio and whether it will be adequate to support fleet transition and incremental costs over time?
    - Kay Kelly: Great question. Yes, plans do look at what routes are most suitable to a ZEV transition on given time horizons and can help us with forecasting. The first step would be to understand which agencies have plans and then start mining them for this data and doing some analysis. We are also interested in an update to our Transit Zero Emission Roadmap which helped to inform our initial estimates for the enterprise.
  - Chair Frommer: It would be helpful to see some examples of fleet electrification plans. Could examples be emailed to Directors?
    - Kay Kelly: Yes, or alternatively, we could bring in an agency with a recently completed transition plan and have them walk you through the process and plan.

## 7. Closing Remarks and Adjournment - Time 1:45

- Kay Kelly: CTE will be returning to more of a monthly meeting cadence as we start to dive into the Oil and Gas Production Fee start up work. Our next meeting is likely to occur in mid to late October.
- **Chair Frommer: Meeting is adjourned at 1:45.**