

2025-05-28

Special Board Meeting

JULIEN BOUQUET: Excellent. I will now call the Wednesday, May 28 special Board meeting to order. We're convened as of 3:31 PM. I respectfully ask everyone to remain muted unless you're recognized to speak. I will now call the roll. Treasurer Benker.

KAREN BENKER: Present.

JULIEN BOUQUET: Director Buzek, I believe he's going to be a couple minutes late. Director Catlin.

PEGGY CATLIN: Here.

JULIEN BOUQUET: Director Chandler. Not here. Director Guissinger. Director Gutschenritter.

CHRIS GUTSCHENRITTER: Here.

JULIEN BOUQUET: Director Guzman.

MICHAEL GUZMAN: Present.

JULIEN BOUQUET: Director Harwick.

IAN HARWICK: Here.

JULIEN BOUQUET: Director Larsen.

MATT LARSEN: Here.

JULIEN BOUQUET: Secretary Nicholson.

CHRIS NICHOLSON: Choo-choo.

JULIEN BOUQUET: First Vice Chair O'Keefe.

PATRICK O'KEEFE: Ecstatic to be here.

JULIEN BOUQUET: Director Paglieri.

BRETT PAGLIERI: Present

JULIEN BOUQUET: Director Ruscha. No Director Ruscha. Second Vice Chair Whitmore

TROY L. WHITMORE: Present.

JULIEN BOUQUET: All right. So we have 12 present and three absent. We do have a quorum. Please note that the Special Board Meeting does have a section for public comment this afternoon. However, the public

can still offer comments-- excuse me does not have a section for public comment this afternoon. However, the public can still offer comments via email or by participating in person or remotely during the regular scheduled meeting, which will be happening later this evening, either at 5:30 or potentially a little bit later depending on how long our Special Board meeting happens this afternoon.

All right. So we have our External Entities Report, and this External Entities Report will be coming from the Joint Rail Service Update. For today's Special Board Meeting, we have just the one. And today's special guest is going to be Diane Barrett, Special Advisor to the Governor for Joint Rail Service.

Before I ask Ms. Barrett to begin, I would want to offer the floor to GM/CEO Johnson for some opening remarks. Ms. Johnson, the floor is yours.

DEBRA JOHNSON: Thank you very much, Mr. Chair. Good afternoon to all Board Members assembled and those members of the public. Before we get started, just for a point of clarification, I do know that Lisa Kaufmann is present as well, Senior Advisor to the Governor, who will be part of the presentation this afternoon. I also like to acknowledge Michelle Merz-Hutchinson, our Deputy General Counsel, who is sitting in today as General Counsel. And then more specifically, we have in the audience our Chief Financial Officer, Kelly Mackey, who all formally introduced during the course of the public Board Meeting.

But for the matter at hand today, as it relates to the progress relative to Joint Service and working with five other entities, aside from, of course, ourselves with RTD, and coming forward with options relative to bringing passenger rail service to the Front Range, more specifically along the Northwest Corridor, we have been involved in meetings and working diligently, and our colleagues from the state are here to provide an overview.

With that as a backdrop, there'll be an opportunity whereby this body will go into executive session and we can have a more in-depth discussion pertinent to next steps. So with that, Mr. Chair, I would ask Ms. Barrett to Ms. Kaufmann to join us at the U-shaped table for their presentation this afternoon. Thank you.

JULIEN BOUQUET: All right, Ms. Barrett and Ms. Kaufmann, thank you for joining us. The floor is yours.

DIANE BARRETT: Thank you very much. Thank you, General Manager Johnson, for that introduction. This is my fourth appearance, I believe, with you folks. So I hope that you're not getting bored with us. Lisa's going to start us off, and we'll go through an overview of where we are and what we've been doing. And then we'll have a quick overview of the IGA, which you've all been looking at and thinking about for a while. And then that'll be it. Any questions? Great.

LISA KAUFMANN: Thanks, Diane. So I'll get an overview on where we've been to date and what the overall timeline for the project is. So some background is as SB-184 was signed into law in May of 2024, and in this new law, it created a new congestion fee of \$3 a day on daily rental cars, which is estimated to bring in a new \$57 million in FY26 before growing to over \$110 million by 2050.

And in that law, it directed RTD Front Range Passenger Rail and CDOT to collaborate to deliver on starter service for intercity passenger rail from Denver to Fort Collins by January 2029.

It allowed the entities to contemplate three different ways to govern this collaborative to deliver passenger rail through either an IGA or a new Colorado rail authority or an altogether new legal authority. And what the principals rallied around early on was the concept of an IGA given that all of the existing entities had the legal authority they needed to govern the service and enter into the service through an IGA.

I would say that some previous Board Members from RTD during the process of this legislation were advocates for the new Colorado rail authority as a potential solution, and that idea still has some merit, but the legislation did not create an appropriation to do a proper study on that concept. So early on, that concept was really only given a cursory look as it's a complicated endeavor that would have needed an appropriation to do a full analysis on that concept.

So it's just worth noting, it's not that the principles decided that concept was without merit, it just was something that would have needed far more resources to really explore that as a viable governance option.

Also, in last year's legislative session, SP-230 passed, which is a new production fee on oil and gas extraction. This law is forecasted in its first full year to bring in around \$110 million. The lion's share beneficiary will likely be RTD as 70% of it is to go out to local transit agencies for increasing service and ridership. That is to go out formulaically, 70% of it. And then there is a 20% set-aside for passenger rail that calls out prioritization for completion of the Northwest Rail and the N Line.

This is a project overview for the work-around Joint Service. So as I just went through, May 2024, SB-184 and SB-230 was signed into law in August of 2024. The principals of Joint Service met-- so general managers from RTD, FRPRD, Director Lew, and the Governor and decided to bring on the ever-talented Diane Barrett to help lead this project and lead the interagency coordination.

Part of the reason why the principals decided to bring on Diane is that one of the most successful collaboratives that the State of Colorado has seen was the renovation and revitalization of Union Station, which required a lot of coordination of among many different public entities to come together to come up with a creative financing mechanism to get that done, and Diane led that project for then-Mayor Hickenlooper as the First Chief Project Officer.

And so we were very blessed for her to come out of retirement to come lead this and do it again because it is a Herculean effort to coordinate this many public entities with their own policies, bylaws, and enabling legislation. And so there really is truly no one better to do this work than Diane.

Which then led to the March 1 report that had an initial cost estimate and review of available revenue streams and review of governance models. And so we'll review a little bit of what the March 1 report said. But succinctly, it said that there is enough existing resources, and that an IGA is the preferred governance model to deliver Joint Service.

We have since spent the time since March 1 refining the study and looking at updating the cost estimates based off of the feedback from the March 1 report, based off of additional feedback from BNSF, and drafting the IGA and doing workshops like we are here today with the governing boards.

So the drafting of the IGA has been led by Diane, but also the General counsels from RTD, FRPRD, and the Attorney General's Office. And we have now done workshops, including today with all the governing boards. We expect that feedback from all of the workshops and the ongoing drafting will continue until about mid-June, in which we hope to be able to circulate a final draft in mid-June for Board adoptions this summer in June and July.

So this is a project timeline moving forward and gets at the heart of what is the IGA about, but final steps, as I said, is to circulate a final draft of the IGA in June, and then start operating under the governance of the IGA to speak with one voice in negotiations with BNSF with the hope of getting an access agreement

with BNSF and be able to then have a finance model based off of the actual cost, based off of the actual infrastructure list negotiated with BNSF.

And that at that point, we would then be asking for boards to adopt financial plans based off of the actual negotiations with BNSF, and that that would then kick off the procurement for operator and executing a financing any NEPAs that are needed, construction and safety testing with the commencement of service in January 2029.

One thing I would say about this is I was just the state's chief negotiator for the Union Pacific Access Agreement for Mountain Rail, which was a good learning experience to understand how those documents answer a lot of the questions that I'm sure you all have on how is the infrastructure cost associated with this determined, what's the timeline, who does the work, how is it going to proceed. And so that access agreement is foundational to any project for passenger rail.

And what we have heard loud and clear from BNSF is that the need for Joint Service is because right now, absent having an IGA that says we're going to deliver passenger rail on the northern sub collaboratively, there is multiple different public agencies that are planning passenger rail projects on the northern sub that they own from Denver Union Station to Fort Collins, and that if those projects were to proceed in a silo, that adds a level of complexity and conflict with freight operations that would have a cost estimate impact to all projects.

So to put that more succinctly, if Front Range Passenger Rail were to price out their project right now, BNSF would assume the infrastructure needs for Northwest Rail in addition to front Range Passenger Rail, which would balloon the cost for Front Range Passenger Rail as there are multiple passenger rail systems planned.

And so the interagency agreement is designed to really say that the public agencies are going to work together to get one access agreement and have one operator to create that efficiencies for both the taxpayer and fee-payers that would be funding the service, but also to reduce any conflict with freight operations, both from a safety perspective, but also from a freight business perspective.

And so the goal of the IGA is to say this is how we will work together, here's the core principles of the collaborative, and be able to go speak with one voice in those negotiations with BNSF so that we can get the most cost-efficient passenger rail system on the Northern Front Range. With that, I think I turn it over to Diane to go over key takeaways from the March 1 report.

DIANE BARRETT: Thank you, Lisa. From the March 1 report, we've-- or by the time of the March 1 report, we had learned that there are enough existing resources from the congestion impact fee and the production fee in SB-184 and SB-230, and RTD sales tax, to cover the cost of three daily round trips. Remember that we were asked to look at three and five round trips.

Any appropriation made by any of the parties-- i.e., the agencies, is subject to policy and decision budget decisions of the governing boards, something for you all specifically to keep in mind. General Manager Johnson will be coming to you for your prior approval before any action is taken.

Three daily round trips is estimated to cost \$83 million in the first year of operations, 32 million of that is O&M, plus 51 million in debt service. We will be updating those numbers, which are the same numbers you saw the last two times I was here, I believe. We'll be updating those in the next coming weeks, and in our June presentation to you, we will have some very interesting new numbers to show you.

If the state contributes \$42 million annually, from 230 and 184 numbers, there is a gap of \$41 million to be filled by RTD. The Peak Rail study that you folks did at great cost recently-- and by the way, we are using data from that report constantly. It's been a tremendous boon to Joint Service to have that study in place, so you should be proud of that.

Anyway, three trains from Denver only to Longmont is said to be \$52 to \$56 million annually for you by yourselves. So \$41 million is significantly less than that. And the service would be connecting twice the amount of population that would be going to Fort Collins rather than just to Longmont.

Nearly all of the infrastructure investments for the Joint Service that we're planning would benefit the eventual front Range Passenger Rail. Further study is needed to define the service, negotiate an access agreement with BNSF, develop an interagency agreement, and importantly, a financial plan that will work.

Why did we decide to do an intergovernmental agreement? The remaining choice, as you heard from Lisa earlier, was really establishing a new entity, a new public entity. That's what we did in Denver Union Station, and we did it there for various reasons. It was a first shot out of the box, and we did it-- Ms. Catlin sat on our original board.

So we did feel that after the fact, probably could have done it with an IGA. It was a big complication, but we decided in this instance that the agencies were familiar enough with each other that we could probably do this with an intergovernmental agreement. Less expense, less time, and we think that we will have a binding agreement that can be to everybody's benefit.

So we decided that we would have the collaboration that we need and be able to establish a governance process. We didn't really need a lot more than that to get started. So remember, what we're doing is a starter service. So the IGA creates a Joint Service Executive Oversight Committee, JSEOC that acts on behalf of the group. And remember that the group is the executives of each of the agencies. So the group is General Manager Johnson-- it's hard not to say "Debra," sorry. And our President, Bouquet.

[LAUGHTER]

JULIEN BOUQUET: I'll take it.

LISA KAUFMANN: Sure.

DIANE BARRETT: Actually, the executives are the voting body, though. I'm sorry, I'm thinking of our principals meetings in which you attend. And so does the Board Chair of FRPRD. But the voting members of the JSEOC are General Manager. Johnson, interim General Manager Chrissy Breit at FRPRD, the Executive of CTIO, the Executive of CTE, and Shoshana Lew or her delicate, and the Governor or his delegate, which is Lisa.

The JSEOC becomes the single entity that BNSF has been asking for all along. He wants one neck to choke, I guess the way you can think about that. The IGA does not supersede or impact the authority of any body. So all of the boards act just as they always have. You will continue to have the control that you want and need in order to fulfill your obligations, fiduciary and otherwise.

The boards will make all decisions regarding appropriations, budgeting, funding unless those decisions have been expressly delegated by the individual governing body to someone, for instance, your general manager.

It is expected that the JSEOC will make the decisions that they make by a measure of 50% plus 1, which-- so you don't have to do the arithmetic, is a vote of 4 to prevail.

Upon an adoption of the financial plan-- and this is at the conclusion of a successful negotiation with BNSF, when we have learned what the real costs are of this project, and we have learned how big your financial contributions will be, and that financial plan will be adopted.

And after that, all voting will be majority-- just a majority vote, unless and until one person-- or more than one-- choose to ask for a weighted vote. This is not a sure thing, but today, we are still carrying a weighted vote opportunity after the adoption of the financial plan. If one of the members asks for a weighted vote, that will happen, and the weighting is as of the contributions of the parties. And contributions, of course, will be carefully defined and is still a very open definition in the documents.

LISA KAUFMANN: I think you're missing this slide.

DIANE BARRETT: So-- sorry. Thank you, Lisa. The JSEOC will steer the negotiations with BNSF, will be responsible for soliciting and operator for the passenger rail service, and they will be laying the foundation for the future expansion of the Front Range Passenger Rail District. The JSEOC will strive to implement the Joint Service Project in such a way that it will not render infeasible the existing operations of RTD or the future plans for the Front Range Passenger Rail District.

That sounds very legal and a little bit hard to operate with. So we're looking at that language and trying hard to come up with a language that will assure that the Front Range Passenger Rail is not impeded in the future by what we're doing with our project-- with the small starter project that we're working on today.

The IGA also provides a process for transfer of interests, assets, and obligations of one of the parties to others or to outsiders as well. This is a process that, again, is still under discussion and redrafting to try to make it a fair way to transfer if such transfer is wanted.

It actually is important in order to assure that in the event of a need to break up the partnership, we have a orderly process in place that will help that happen. There are many instances of large groups of participants who end up not being able to make it work, and it's best to have a process in place in the original agreement if possible.

So our timeline. In May, just barely, we managed to get the workshops all done with the parties. In June, we'll do another RTD Board update, and that one will entail some specificity about dollars and cents sense that we don't have quite yet. And certainly, it will lead us on the pathway to negotiations with BNSF, which obviously have to occur and conclude before we will know what the financial picture really is and adopt a financial plan for the project.

June and July, the boards began voting and approving the IGA. So in June, the CTIO, the CTE, and the Transportation Commission will all have their opportunity to approve to approve the IGA. In June, the FRPRD will have their opportunity to approve the IGA. And then in July, you folks will have your opportunity to do the same. You get to be last.

Through the winter, all the boards will work to adopt the financial plan. Again, and the negotiations with BNSF are critical and key here, and those have to be ongoing. And we hope that during the winter, all the boards will be able to adopt a financial plan that's based on the successful access agreement and construction agreements that we've achieved with BNSF.

The summer of next year, the JSEOC will conduct procurement for rolling stock and for the operator. And then in January of 2029, Joint Service training begins. That's tomorrow in the train world. So optimistic, aggressive, yes, all of those things.

JULIEN BOUQUET: Just real quick as a correction, Ms. Barrett. It says winner of 2026 on there. I believe it is winner of 2025, all boards to adopt financial plan?

DIANE BARRETT: Yes.

LISA KAUFMANN: Could expand the year, '26 in January?

JULIEN BOUQUET: OK. Thank you.

DIANE BARRETT: But hopefully before that. Thank you, Chairman Bouquet. So in the June Board update, what will I do? Just another boring turnout, but we'll have sent out the finalized IGA draft on all Board workshops. The new cost estimate by HNTB will be presented. It's very interesting. We have looked in all the couch covers and we have found many pennies. So we're going to be showing you some new numbers.

There will be a new financial scenario based on those new cost estimates. And this time, we'll include farebox collections because we will have ridership scenarios by that time for you, which I'm sure will be very interesting to all of you. The ridership model is completed and we'll be able to present it to you. And then we'll have an operations report that will provide analyzes financially and operationally to date. So I believe that that's it for our report, And we'd be pleased to take your questions.

JULIEN BOUQUET: Excellent. Well, thank you both for coming in and joining us again. We greatly appreciate it and greatly appreciate your guys' time. So now I'm going to leave it up to the Board if they have any questions for the two of you. So, are there any Directors who have questions? Treasurer Benker.

KAREN BENKER: Well, first of all, thank you for coming again. You've been doing yeoman's work here and providing leadership on this project, which is extremely valuable and appreciated. I do have a couple of questions-- actually. I've got many. I'll keep it short, though. When you talk about a weighted vote for this joint operating agreement, could you give me an example how would that work?

LISA KAUFMANN: Do you want me to or do you want to?

DIANE BARRETT: Well, Lisa will chip in afterwards. A weighted vote would give more weight to a vote by a party that has contributed more than another party. So the definition of contributions is being heavily debated among the council guided by their principles, of course. And there are lots of different ideas about how to do that.

For instance, we had, in one draft, the specifics of the Peak Rail study as having been an expenditure that RTD would get credited with because it was a huge amount of money-- I think \$8 million or something like that, as you all know better than I do. And-- the BNSF study.

So wanting to make sure that that was included in contributions-- and it was suggested, I think, from your council. And we were talking about it behind the scenes and we said, well, we don't want everybody putting in every example of every time they've spent money and so forth, and so we'll just say by example-- we won't say by example, we'll just say, here's the definition of what a contribution is.

It became clear to us that we specifically wanted to delineate the Peak study, because, A, it was unique among other studies and expenditures that people have made, but we still don't want to enumerate every single expenditure, but we're going to put that one in specifically because it was large and it was important throughout our studies and will continue to be. So contributions is a financial contribution that, again, will-- the definition will be further refined as we talk more.

KAREN BENKER: Mr. Chair, if I could continue. Then how would you-- something to think about, you don't have to answer it right now, but there very well may be one-time contributions that are made, as well as annual contributions that are made. So however that is calculated, hopefully that is taken into consideration.

DIANE BARRETT: Well, the amounts, total and integral, would be heavily part of-- the amount itself is a very important part of the analysis.

KAREN BENKER: OK. And then one more question, then, if you don't mind, Mr. Chair.

JULIEN BOUQUET: Yeah, Treasurer.

DIANE BARRETT: A total contribution, Director Benker. A total contribution would be even if you were paying it over time, it would-- the total contribution would be what you would be--

KAREN BENKER: So if there was a bond, then, you would calculate the 30-year payment of a bond, as well as one-time deposit, shall we say, at the beginning of the project?

DIANE BARRETT: Yes.

KAREN BENKER: OK. Interesting. You had mentioned that you're talking between three and five trips a day. How are you-- where are we in the potential of five trips?

DIANE BARRETT: I'm going to ask Lisa to take that one.

LISA KAUFMANN: Yeah, so I think there was an updated cost estimate that looked at the five round trips, and I think that it's really on the bubble. If there is enough existing resources at this point to pursue five round trips. And so we've really been focusing on the three daily round trips.

It's also been an active dialogue with BNSF, and they certainly would prefer that any interagency agreement be prioritizing starting off at two to three round trips with expectation that you would increase frequency as new resources became available and as the service was successful and operating on their line with the existing infrastructure dictated in the access agreement.

And so it's not envisioned that you would end with that amount of frequency, but that's where your starting point is. And as you might know, FRPRD is currently doing open houses and workshops on their alternative analysis. And part of the alternative analysis for Front Range Passenger Rail is a benchmark study of all intercity passenger rail services in the country.

And what they looked at was where do they start and where do they top out, and what you find is a lot start with two to three round trips, and then the high level is between 12 and 16 round trips for intercity passenger rail. And so that is the range in which we would expect to try to reach eventually with ridership demand being built up and with added capacity on the line to accommodate new frequency, is certainly all the states hope that front Range Passenger Rail eventually goes to the ballot and is successful so that we can increase frequency with new resources that they bring to the table.

JULIEN BOUQUET: Thank you, Treasurer. Prior to recognizing first Vice Chair O'Keefe, I do want to make-- I do want to make note that at around 3:40, Director Buzek, and Director Ruscha did join us online. Thank you. First Vice Chair O'Keefe.

PATRICK O'KEEFE: Thank you, Mr. Chair. And I will note that Director Buzek put his hand up as soon as he got on the call. He didn't even know what we were debating at this time. So--

VINCE BUZEK: I just like to talk.

PATRICK O'KEEFE: Or something. So good to see you, Diane-- Ms. Barrett. You know what they call going to the same body four times and not getting what they call the body that you go to four times and don't get a yes? Parole board. So you're coming to the parole board.

So a couple of things. Actually the previous question made me think of it. Is there a minimum-- so if an entity doesn't give any money, do they get no vote when you go to a weighting vote?

DIANE BARRETT: [INAUDIBLE]

PATRICK O'KEEFE: OK.

DIANE BARRETT: Oh, I'm sorry.

PATRICK O'KEEFE: Yeah.

DIANE BARRETT: I'm not generally quiet.

JULIEN BOUQUET: So could you repeat that real quick into the mic?

PATRICK O'KEEFE: Explain how that--

DIANE BARRETT: For the recording, yes.

PATRICK O'KEEFE: How that would work.

DIANE BARRETT: I'm sorry?

PATRICK O'KEEFE: How would that work? So if you're prorated out based on contribution, but there are entities that don't give anything, do you give them-- do they get a minimum, like 10% vote? And what's the idea on the weighting? And it will matter more in construction, than--

DIANE BARRETT: Right.

PATRICK O'KEEFE: I mean, I'm particularly interested in, if we're going to weight, weighting it correctly.

DIANE BARRETT: Well-- and that's why we're struggling with the language of both the definition of contributions and with how the actual weighted works. So, there is no thought of taking away a vote. So each of the six has a vote. And for most actions that will be taken, everybody's vote will be the same.

After the adoption of the finance plan and when we're actually creating a project that has a cost and a budget and is sticking with all of that, then most votes will be one vote, one person. But if we have to go to a weighted vote, the amount of votes will increase by the contribution level.

PATRICK O'KEEFE: OK.

LISA KAUFMANN: Can I maybe jump in with an example of this? So I think that the current way the IGA is contemplated is the bodies would govern with 50% plus 1, and that would be the governing rules through negotiations with BNSF to get to an access agreement. Then a finance plan would come out of the access agreement based off of actually having an infrastructure project list and more solid numbers.

And instance in where you might want a weighted vote is say the service is in operation for three years, and we think that it's worth having a discussion on adding a siting because it might improve performance and being-on-time performance, you would presume that the entities would then vote through 50% plus 1, but somebody could ask for a weighted vote on that decision based off of contributions.

It's designed to give an added layer of protection for the entities that are contributing large amounts, but of course, there's another layer of protection for the agencies that are contributing to the service because all of those appropriations still have to be appropriated by the originating board, and nobody could be forced by the interagency agreement to appropriate any money for the service. And so it's just an added layer of protection for the entities that have the most equity into the service.

PATRICK O'KEEFE: OK.

LISA KAUFMANN: But I think that in practice, what we expect to see is that the majority rule would be how decisions are made.

PATRICK O'KEEFE: Yeah. I would hope so, but if you need to go to a weighted vote, things aren't going well, so I think you may want to war game out how that would work. And so just a couple things. Can we get a copy of the IGA? I've asked just about everybody-- I almost asked a guy out on the street that might have it.

LISA KAUFMANN: So I looked at General Manager Johnson, but my understanding was that the general counsels for each agency was sharing with their governing boards to protect client privilege. So I don't know where that maybe got lost in translation, but that's how we've done it, at least in the Executive branch, where each attorney general assigned to each agency has shared it with those boards.

PATRICK O'KEEFE: That's perfect. She just gave me the answer with her-- she didn't even have to leer at me. So the only other things-- and I think this is important to at least start talking about in the context of the IGA. I understand the IGA is not designed to set a budget request, but I do think it should set parameters that under no circumstances a board would support. And so we have to decide voting ourselves what is something we would no would not accept. And I'll give you two examples that I will specifically ask for.

First, who's the backstop if it goes over? And I know it'll shock people for me to think that a rail project might be overbudget, but just in case we found one that does, who pays? And at what percentage? And I think that's really important going into negotiations with BNSF because that's going to be your biggest expenditure.

And they need to-- people should know their negotiating position before they go in with BNSF, and I think that helps the negotiators. It's also helpful that the Board say, look, under no circumstances, with a

backstop, we will give you the amount of money in the agreement and no more, or we will give you more and this is what our percentage looks like? I think that's really, really important.

The second thing is-- and this is a cut-and-dry issue for me. Under no circumstances can all the FISA money go to this project. There are several unfinished projects in FasTracks, and there are a lot of disappointed voters. And I'm not saying it has to be counted out percentage-wise to the penny. There certainly could be greater weighting to this project because it actually has a greater chance of going forward.

But under no circumstances will I vote for anything that takes a vast preponderance of the FISA money because I probably wouldn't make it back across the Douglas County line alive. So that's just-- I think those parameters that we can start to stake out for you before we vote would be really helpful so the negotiators aren't left in a tough position. Sorry, Mr. Chair.

LISA KAUFMANN: Can I react to that?

JULIEN BOUQUET: Yes, Ms. Kaufmann.

LISA KAUFMANN: The goal would be that the access agreement would have an infrastructure list that corresponds with the daily round trips. So it might be that, for instance, if you wanted five daily round trips, that that would require seven new sitings.

And then what the finance plan would then say is here are the sitings that need it in order to accommodate the five daily round trips, here are the ones that are in the RTD region, here are the ones that are out. And then that finance plan would be what came back next Winter to say, here's the pieces of who's going to finance what. And then to your point, then if any one project goes over, what does that look like and how do you handle any overages?

But it would be-- what our anticipation, based off of the current cost estimates, is if we're negotiating for two or three daily round trips with them, is that there is that infrastructure cost associated with it. We have some ideas of what those are based off of the RTC modeling that was done ahead of the March 1 report, and the RTC model is based off of the business data provided under an NDA from BNSF. So it's a very informed cost estimate.

What is coming back to you in June is since then, we've passed review at the FRA under the new administration for the CRISI grant, so we know that those costs are going to be covered now through that CRISI grant. So those kind of refinements is coming back. But really, that finance plan has to be based off of the actual agreement with BNSF for the actual projects, and then understanding how that each one of those gets financed is what we anticipate.

PATRICK O'KEEFE: I appreciate all that, that really helps. I guess the challenge is there's a finite amount that we would chip in, and I don't know what that is yet, but that would be the only money coming from this body. I don't think that there's-- I mean, I can almost get an informal vote right now that we would enter an agreement where we did not know what our obligation was and did not know who was responsible when we exceeded that original budget.

It might be us, that's fine, but we need to delineate who's what. And the railroad negotiation will be murkier than we want this. Ms. Barrett and I have done one railroad negotiation before, and everything is tied together in some sort of safety plan. They rarely will say this siting is the responsibility of this customer. It's all-- they're very good at creating a mismatch of requirements and costs. In fact, they're experts at it.

LISA KAUFMANN: Yeah. I would say that our hope is that it's enumerated in the agreement-- and in the Mountain Rail Access Agreement that we just completed on May 1, it is all enumerated for the project by segment in which phase that you run, does it trigger the need for that infrastructure? So I think our hope is that we would be able to accomplish that same sort of format that we just did.

I would say on your other feedback on finished FasTracks projects, I mean, I think that it's hopefully clear to all, if not maybe worth stating, that certainly we would like to partner to finish all of them and to bring state resources to partner to finish all of them. It is called out in Senate Bill SB-230 that the rail set aside is for both Northwest Rail and the N Line.

And I think that the hope is that we can get some clarity on where the communities are on the Southwest Extension and the 5 Points Project to understand how the state could also partner on those. So it's probably worth me stating that on the mic is that the state wants to partner to finish all on finished FasTracks projects as we see this out there as a threat to voter confidence for us to get to where we want to go on our climate goals.

JULIEN BOUQUET: Thank you, First Vice Chair O'Keefe. Director Buzek.

VINCE BUZEK: Thank you very much, and again, thank you to Ms. Kaufmann and Ms. Barrett for, once again, coming and giving us an update. I've got one question and two comments. And my first-- the question has to do with SB-230 and that set-aside, that 20% set-aside for Northwest Rail and the N Line. And I just don't remember, does the legislation determine the proportion that those lines share that 20% or not? Anybody can answer that that might know.

LISA KAUFMANN: It does not. It just calls out prioritizing that 20% set-aside for those two projects. And so in the March 1 report, what we did was for just the exercise of trying to identify is there enough unallocated resources to cover the cost, was to just assume a 50/50 split, but that is a decision that the Clean Transit Enterprise Board needs to make.

VINCE BUZEK: OK, so that's the entity that would make that decision? OK, yeah, I just would not want to see the N Line swept away to put all the money into this project. So the other comments, and it's been touched on. And I have more things, but we'll bring this up in executive session, I think it's more appropriate for that.

But the access agreement with BNSF, are you going to negotiate the cost of increased frequency? Because I can see them saying, listen, when you guys are ready to go to nine or 10 or 12 trips a day, come on back and we'll talk. And then they've got you. So hopefully we can get some incremental increase amounts or prices or cost worked into that access agreement because I can see that coming back to bite us if we don't.

And last but not least, I mentioned all along, we did that Peak Service Rail study, and the per-rider subsidy number, scary. So hopefully now, I've heard allusion to basically doubling the population that this line can serve, and hopefully with that, we'll bring that number down. I'm still hoping to see an update on ridership projections on this whole line and what that does to the per rider subsidy. And that's all I have for now. But I'm looking forward to it. I've said it once, I said it again, this is the only way we're getting rail up there, and I hope we do it, so thanks a lot.

LISA KAUFMANN: Thank you.

JULIEN BOUQUET: Thank you, Director.

LISA KAUFMANN: One thing I would just react to is the overall cost per rider, and this is an unfortunate fact for this line, but the single biggest infrastructure cost for this line is to add positive train control from Westminster to Fort Collins, and this is a basic safety system that you would hope was on an existing freight line that is moving all sorts of petrochemicals and hazardous-on-freight through our northern suburbs today, but it's not mandated for them to move those freight products today, it's only mandated when you add passenger rail onto the line.

And so when you look at the cost, a lot of it is driven by the need for positive train control, which is a significant improvement to safety for those communities that I would love to see today, but it's regulated at the federal level, we can't regulate it at the state level. It is a big part of the CRISI grant, is extending positive train control up to Broomfield, and it's a service, I think, to safety, to all of us to invest in getting positive train control on this line for freight operations. Which is why we were able to successfully partner with BNSF to get that CRISI grant.

And the way that worked was we took the engineering work and the study done through the Peak Rail study, and we were able to utilize that engineering work in order to put in a CRISI grant that was close to shovel-ready. So it was a great return on your investment for Peak Rail that we were able to secure over \$90 million investment. That is a safety feature that is needed today whether or not we ever put a passenger on it.

So it's a little bit of a misnomer when you look at the cost, that we're bearing the full cost of needing a basic safety feature that we should all want to have on there today for freight operations.

JULIEN BOUQUET: Thank you. Director Catlin.

PEGGY CATLIN: Thank you. And I have a lot of questions. I met five years ago, along with our engineering staff, down in Fort Worth with the BNSF. And at that time, to Director O'Keefe's point, with the railroads, it's a moving target. And have they reviewed these costs independently? That's question number one.

LISA KAUFMANN: So they've seen our presentation. They haven't done a verification process, but they also agree directionally with where we've been on our cost. I think that they would say is through negotiations, if we were willing to agree with a lower frequency for starting, that the cost could actually probably go further down than where we are today, but that is for negotiations with them.

PEGGY CATLIN: And you brought up a good point. I just know that when we were talking about the Peak Rail study, we had to pay the railroad for them to do the cost estimate. And so I just wanted the Board to be aware of that.

The next thing, when you talk about increased frequencies-- and I remember, that was a sticking point during those preliminary discussions, there has to be a ceiling. I mean, beyond which their operations couldn't support additional frequencies. And has that been discussed or called out?

LISA KAUFMANN: I think that there's a ceiling before you get to having to double-track significant mileage is maybe what you're asking, and I think this is included in the full buildout for front Range Passenger Rail's alternative analysis. So it goes through, based off of the RTC modeling done for them, when you trigger additional sitings or double-tracking needed.

So that is in the Service Development Plan for front Range Passenger Rail, and it's based off of BNSF's business data, both for operations today and their forecasted operations for the future. So this was something that was a new process, really came out of the missteps of California High Speed Rail of not

really having this modeling done on the frontend, and also not having the business case for rail operations done on the frontend and really just waiting for a NEPA process before you get to any of those processes.

So when IIJ passed, they created this new process for these service development plans. That is a federal document that goes through each step of this, that Front Range Passenger rail is currently doing. And we're actually the first rail project in the country that is this far ahead with it.

And so there was a period of time where we were stalled a little bit because we were the first to enter into NDAs with the Class I railroads to get their business data in to inform our RTC modeling. And that is-- now we have the NDAs done, the RTC modeling is undergoing for all of those increased frequencies, and the RTC model then tells you what all the infrastructure improvements are based off of those frequencies.

PEGGY CATLIN: Well, good. I want to say that they're usually pretty stingy with their data, so kudos to you all for getting that.

LISA KAUFMANN: Took a while.

PEGGY CATLIN: You brought something else up, and that's the NEPA process. And pardon me, I'm dusting off the cobwebs from years ago, but there's a process for approving proving fixed rail in-- through the DRCOG process, I think it's called Senate Bill 208, is that right? I don't know--

JULIEN BOUQUET: That's the Senate bill. Yes, you're correct.

PEGGY CATLIN: OK. And are we going to be needing to go through that process for this as well, even though the project limits extend beyond the DRCOG region?

LISA KAUFMANN: It's a good question that I don't have a complete resolution on. We have had conversations with DRCOG leadership on this, and they aren't clear either if this project would be subject to it. I believe Northwest Rail has already been approved by them and is their underlying--

PEGGY CATLIN: As part of FasTracks it was.

LISA KAUFMANN: Right. And so it's unclear because this is a slight modification and it extends beyond their borders. So it is an outstanding question I have into the Attorney General's Office on it, and maybe we need some cleanup legislation to clarify that, too, it's not clear.

PEGGY CATLIN: Just need some clarity on it, I think.

LISA KAUFMANN: Yeah.

PEGGY CATLIN: And I had one more thought, but I guess it can wait. I lost my train of thought on that one. Pardon the pun. But thank you all for your hard work. I'm sure we'll have more questions as time goes on, but I appreciate it. Thank you.

JULIEN BOUQUET: Thank you, Director Catlin. I have three Directors in the queue. I have Secretary Nicholson next.

CHRIS NICHOLSON: Thank you very much, Chair Bouquet. I actually have a question for staff before I ask questions of our lovely guests. And the question is, I know there's a provision either in the RTD act or in our bylaws that requires a supermajority of the Board to approve any new rail projects is my understanding.

So would this require-- the eventual agreement, would that require 10 votes from us? Or would it only require eight votes from us?

JULIEN BOUQUET: Ms. Johnson.

DEBRA JOHNSON: Yes, thank you very much, Secretary Nicholson, for the question. I believe General Counsel Snyder issued an opinion on that previously, and so we will recirculate that document. Thank you.

CHRIS NICHOLSON: OK. Appreciate that. The second-- so now switching over to our wonderful guests, I have two questions. The first one, given that this service doesn't happen without a RTD's substantial financial contribution, why shouldn't we get a veto over any JSEOC decision if you eventually need to get our approval and our money to make this happen?

LISA KAUFMANN: Well, I think you essentially do because it still has to originate from you appropriating monies or entering into any contract that RTD would enter into. What the Joint Executive Committee would do would be the day-to-day manager of the negotiations with BNSF or any day-to-day management of a selected operator, but any major decision that impacted the ability to actually implement the project would still have to be decided upon by the RTD Board.

CHRIS NICHOLSON: Thanks. Yeah, to be clear, I was talking about a veto by our person on the JSEOC over a decision by the JSEOC because, again, without our \$40 million a year or whatever it ends up being, you guys-- the train doesn't happen was essentially my question, and I guess I'll just leave that out there.

Second question. Forgive me for this. There's an internet meme about a relationship between a man and a woman in a relationship about to be intimate, and the caption reads, "Aren't you forgetting someone?" with a picture of Jesus off to the side. I mention this because reading over the timeline, there's a lot of mentions of RTD and CTIO and the Governor, but it seems like there's no time built in after the finalization of the financial plan to go to the public and ask the voters and talk to the voters and present to the voters about what we're doing, what it costs, and why we should do it in the first place.

So my question to you is basically, why shouldn't we bake in time to do a real road show of this project? Why shouldn't the Governor go to places and present on this train that he wants? Why shouldn't we go and present on these things before we take a massive history-defining vote on this item and allocate hundreds of millions of dollars of the public's money?

It seems like you don't want that to happen, or you would have put time for it in the schedule, and I'm curious whether I'm reading that correctly. Thanks.

LISA KAUFMANN: Yeah, I would say that throughout this whole process, we are doing significant public engagement. I know I personally do a lot of presentations to a lot of different community members. So presenting to city councils along the corridor, the general public. So there is, inherently baked into the project, a lot of community engagement. It's just not enumerated in these slides. These slides were more of an overview of what the project is.

But I would also say that clearly, the public has voted in FasTracks in '04, they voted when they elected their representatives in the General Assembly that passed these bills, and there is inherent built into this community engagement that we just didn't add to the slides, but we certainly can give you a report on all the public engagement to date. It's actually a pretty long section in the March 1 report on all of the community engagement that happened in the lead up to the March 1 report. I would anticipate we would have a similar one in the June report.

DIANE BARRETT: Yeah. And actually, there was one in the 30 September as well. So all the reports that we've put out, and the one that is coming, contain lists of who we've talked to and, generally speaking, in what venues.

JULIEN BOUQUET: Secretary?

CHRIS NICHOLSON: Just very quickly, I mean, I'm a pretty engaged guy in Denver, in Central Denver. Have you guys done any presentations, public presentations in my district? Have you done any kind of-- when we've done big changes-- we've talked about BRT. We do big roadhouse presentations. We bring the public in. It's in the news. It's on our website.

I read the Post practically every day. Most of my friends do. I go on Reddit on a regular basis. I answer questions there. I haven't seen you guys on there. I haven't seen literally any big public events about this project explaining it to people. I've seen one article about, "Hey, this is coming! The train is coming sooner than you expected it would!"

That's all anybody in my district knows about this at this point. And I'll just be honest, I don't see myself-- even if I like the project, I don't see myself voting for it unless I think that you guys, your boss, has done the work necessary to sell this to the public and to sell this to the people who are here now, not necessarily the people who are here when I wasn't legally able to drink. Thanks.

JULIEN BOUQUET: Thank you, Secretary. Director Guissinger.

LYNN GUISSINGER: Thank you, and thank you both for all your work and all the team. I agree with Director Buzek, this is the way to get this service done and the starter service. I have a couple questions. You mentioned that 42 million would be coming from the state. How does that come? Is the 230 money come out of CTE? And how much is that and does CTIO then put in? I mean, is that a total of several different contributions from those different groups?

LISA KAUFMANN: Yeah, that is a total of several different contributions. And so I think it would be a mixture of CTIO investing in the projects that the construction projects that they would invest in finance and probably oversee the execution of. Same thing for CTE.

And then in the March 1 report, we weren't sure if the CRISI grant projects would get done because they were under review of the new administration. That has since been greenlighted by the new administration. And so that would probably be a new contribution that would be reflected in the mixture of contributions, and those monies came from the Governor's IIJ cash fund to match the federal funds.

LYNN GUISSINGER: Good, thanks. And just one other comment, which is that-- I think this happened in one of the statutes, 161, yeah. But I think that Joint Service talking about being Northwest Rail is confusing.

And maybe it's better to-- maybe the language is important, that it's service on the Northwest Corridor to pull apart-- Northwest Rail was defined in FasTracks Project. And so it's just a thought and maybe something we can talk about after we see the IGA and all of that. Thank you very much. Diane, did you have something there? You looked like you were going to respond.

DIANE BARRETT: I was just going to say that the statute uses Northwest-fixed guideway.

LYNN GUISSINGER: Oh.

JULIEN BOUQUET: Thank you, Director Guissinger. Director Ruscha.

JOYANN RUSCHA: Thank you, Mr. Chair. So as usual, Director Catlin got to a question before I did, and I just wanted to offer that I had, up until this moment, always assumed that DRCOG would need to be involved because of just a plain language reading of statute. So I would also add that if we need to clarify that. We should do that as soon as practicable, which would be next session.

But I also-- I feel like I owed you and my colleagues that, just, honesty, that my district, FasTracks is not something I hear about in my district. Nor is this project. I've been on the Board for two and a half years, and I think I have been asked about it less than 10 times, and half of them were from reporters, to be honest.

And so I have some concern that proponents of the project aren't doing the necessary work in my district, which is very active in local matters, to get their buy-in. And even if we move forward without FRPR having statutory authority to tax, because it was granted by the voters or we have some sort of alternative method, at the end of the day, we are going to be held responsible by the larger public, and it's really crucial to ensure that we have their buy-in.

So the feedback I gave was anecdotal. That's just my experience. But I would feel irresponsible if I didn't put that out there because it really does worry me that we might be getting married without a prenup or we're moving too quickly, but we don't have public buy-in.

So just like in other parts of RTD, where the fact that these projects were not finished, creates distrust. We have to remember that not all parts of the district or the greater region share that sentiment, and we just need to be careful in how we move forward, because at the end of the day, no matter what happens in this Board room or at the state level or the executive level, we are ultimately going to respond to the taxpayers.

I would like to see this project and all rail projects get built out. I don't like cars and I don't like concrete jungles. I have concerns about the fiscal aspect that I think First Vice Chair O'Keefe summed up much more eloquently than I could. But I would like to think it's possible. So I'm looking for a reason to say yes, and I just need a little bit more to get there.

And that's a bit painful to say in a public meeting with my colleagues, but at this juncture, it doesn't do any of us any good if we are not forthright in where we are. So, thank you for letting me speak, and that concludes my comments.

JULIEN BOUQUET: Thank you, Director Ruscha. I have Director Guzman next.

MICHAEL GUZMAN: Thank you, Mr. Chair. I have to second first Vice Chair O'Keefe, there's absolutely no way I would vote for this if we're going to just completely empty out what everybody perceives to be the big piggy bank, the FISA count. That 190 million is not just for rail, as has been purported and reported and rereported incorrectly. There were caveats with that money for how it was to be used in conjunction with the FasTracks plans, and I think that we need to go back to the legislation and look at that.

Also, the FISA account was created after the 0.04% sales and use tax was collected, and there are additional monies that are in there that are also not directly linked to that legislation. And so untangling that could be a big mess, but also, we need to be responsible with it, as is our fiduciary duty.

It does support services along the Northwest Corridor, not just the fixed rail, but also other bus services and connections that were part of the anticipated cost of moving people around. And it supports the

maintenance and the Transit Asset Management along that rail. And so one thing that I have not heard come out of these conversations that is going to be-- it's going to keep me on the No side until I understand it in terms of an IGA, is how we are going to plan the Transit Asset Management piece of this.

How are we going to do maintenance and repair work? Because the cost of a shiny new thing is one thing, but maintaining it to continue good usage and safety for the public is a completely different matter, and we have just spent the last two summers-- and I'm going to include the current one we're walking into now, doing exactly that work because it was forgotten for more than 20 years. And it cannot happen with this project.

So if money is not set aside or anticipated with all the glory of putting a brand-new shiny train on a track to get people moving and continue to maintain that asset by all members of the IGA, absolutely not. There's no way we can continue forward with the conversation, it's not even worth having. So if that money is not accounted for somewhere in the finance planning of doing this, there's no way we would do it. And why do I say that? Because safety has to come first. Human lives are at risk and at danger.

So as you spoke to the positive train control and all of the other necessary infrastructure to do this, maintenance of these tracks and these conveyances are going to be equally important and should not be put to the side in a rush to get a train on a track. That's not how we do things, and that's not how we should do things, in my opinion. So that's one part. Sorry, my comment.

The other thing is, I have a big concern about cannibalizing our regular service. When the language that you put on the screen earlier says "we will--" I believe it was "will strive to implement the Joint Service plan that will not render infeasible the existing operations of RTD from or the future plans for FRPRD." We are running an active transit agency. We have services going. We collect the sales and use tax of a total of 1%-0.1%, but it's divided in how we use it, with funds being restricted to certain aspects of it.

That is where we have to consider how we are going to, as a body, put money into this and where it's going to come from. But the backstop question is super important because the backstop, if it falls to us to fix the matters that are overrun on finances, can literally cut bus service jobs and take away the things that we are currently providing, and that would not be fair for a three-round-trip-a-day service to one particular area of the region because it doesn't take into consideration everybody's need to move around our entire region. That's all I have, thank you.

JULIEN BOUQUET: Thank you, Director Guzman. Director Harwick.

IAN HARWICK: I have a few questions and thoughts, but the first question is, you referenced 83 million for the first year of operations, 32 for operations maintenance, 51 in debt service. With that 51 million in mind, what is the amount of debt-- I just-- if you could remind me, what's the amount of debt that you anticipate taking on?

LISA KAUFMANN: So the March 1 report is that study. So it's looking at how much would it cost in current borrowing to finance the full 885, and that's where you get a debt payment number of \$51 million annually to finance the full 885.

In regards to Director Guzman's comments, I think it's also important to remember, in the March 1 report, that when you look at the full horizon of the project, there is baked into the underlying cost assumption the state of good repair and safety ongoing cost. And so you probably don't remember the bars from the last

presentation, but it's in there in those outer years when you have to start replacing and doing the state of good repair work.

And what was important about the March 1 report is really looking at not just, is there enough existing revenue today, but is there enough existing revenue through 2050? And so the report that Ernst & Young created for us was to look at all of the revenue sources and to look at their growth trajectory to make sure that they also track with the growth trajectory of the State of good repair and escalating costs for the service.

And so in that March 1 report that you all got, it did do that work. And where I showed you today, that the daily rental car fee grows from \$57 million in 2026 and grows to \$110 million in 2050, a similar number was in the March 1 presentation to you all of looking at your current revenue at \$900 million annually, but that is projected to grow to over \$2 billion in 25 years for what RTD is currently projecting to collect in sales tax.

So that mapping of the escalating cost and state of good repair against the available revenue sources was cornerstone to the work in the March 1 report.

JULIEN BOUQUET: Thank you, Director. Director Nicholson.

CHRIS NICHOLSON: Thank you. Excuse me. Thank you. So I have a couple of questions. The first one-- and I promise, slightly more fun question than my last one, when we talk about three trains a day, what kind of hours are we talking about here? Because I've heard lots of different understandings of, like, what could I use this for? And if you're running a train back from Denver to Boulder at 5:00 PM, you can use that for a meeting in the middle of the day, you can use that for 6:00 PM or 6:30. You can use that for commuting. You can't use that to go to a Nuggets game, for example.

And so maybe you can help me think about and help the public, what kinds of travel is this going to serve and what kinds of stuff? Because, again, it's only three trains a day, is it going to be outside of-- and also, are we talking about three trains a day seven days a week or only five days a week? Am I going to be able to take this down to Pride, for example, if we're running and do that, or is would it only be running weekday service? Thanks. And then I have follow-ups.

LISA KAUFMANN: Sure, I don't know the schedule that was a part of the RTC modeling off the top of my head, but we can certainly pull that and have that a part of the June presentation if you so desire. But it was for seven days a week, and it did adjust for weekend patterns versus weekday. I just don't know the exact times off the top of my head.

CHRIS NICHOLSON: Appreciate it. Yeah, that would be super helpful because when I've gotten questions about this, my constituents have asked, what am I going to be able to use it for? If I'm in Denver, what am I able to-- same thing in Boulder.

Second question. So we got a fairly sobering, I think is the right word, presentation from our Asset Management team at our training-- I'm a relatively new Director, so we get a bunch of different meetings where they explain different stuff to us. And part of that training was over just how freaking expensive it is to manage something like a fixed rail asset over the course of multiple decades, and how you really have to think about these things not in terms of what it's going to cost for five years or 10 years, but 2030, and then to replace all of it when we get there.

And hilariously enough, in an article, I think, about Sound Transit 2 later that day, I came across this wonderful quote from Willie Brown, who is the former Speaker of the California State Assembly where I grew up and the former Mayor of San Francisco.

"In a candid admission of how the political world operates, Willie Brown, the former mayor of San Francisco, once dismissed the cost overruns on a transportation hub intended for the bullet train. 'In the world of civic projects, the first budget is really just a down payment,' he wrote in a guest newspaper column in 2013. 'If people knew the real costs from the start, nothing would ever get approved. The idea is to get going, start digging a hole, and make it so big, there's no alternative to coming up with the money to fill it in.'" Isn't that what Joint Service, starter service kind of is? Thank you. I'm asking that as a question.

LISA KAUFMANN: I mean, no, because we have a cost estimate through 2050 that was shown to you in the first presentation and mapped the revenue sources to the projected cost. So I certainly wouldn't characterize it that way.

CHRIS NICHOLSON: I'll just ask one quick follow-up if that's OK. Given the significant routine cost overruns, as Director O'Keefe alluded to, that, for example, high-speed rail in California has undergone where the project has turned out to be billions more expensive than it initially cost, given that we see this in public projects everywhere, what makes you confident, as someone who has worked on these things and has been in government for a long time, what makes you confident that you're right this time when so often other people get this wrong?

LISA KAUFMANN: I think that the projects that we are looking at from a rail perspective is very different than high-speed rail. I mean, I don't even think it's like an apple to a pineapple because, yeah, it's not the same species, really, because what we are talking about is utilizing underutilized current infrastructure in the State of Colorado.

And what we have seen is an opportunity that exists right now that even is different than when FasTracks passed in '04. When FasTracks passed in '04, there was a lot more freight operations on this line than exists today. BNSF has shifted a lot of their freight operations to the Greeley sub and out east. . And that has created this opportunity to utilize an existing infrastructure asset for a new purpose as we're in 04, it was in were in conflict with their freight operations than it is today.

Same thing with Mountain Rail. We have an opportunity to use an existing asset that is underutilized because of the coal plant closures in Craig and Hayden has created this capacity on the line. The line's in good shape. It's active today, still moving coal, but it's about to be inactive for half of the segment when those coal plants close in '29.

And so it's really taking a sunk cost from an infrastructure perspective and repurposing it for a future need is how I would see these projects. And I think what's different about the way we've approached this and that we've had success with, at least Union Pacific and the Mountain Rail Access Agreement, is having an enumerated infrastructure list that corresponds with the actual daily round trips.

So the way that access agreement reads is for these daily round trips, three of them, here's the actual infrastructure that is needed to empower that on this timeline. And certainly, if that infrastructure list is priced out 20 years from now, the escalation cost is going to be different, but we have plans to do those infrastructure projects this calendar year, so we believe our cost estimates are good.

I don't think anything is ever bulletproof, but I think that the benefit to the estate of Colorado that we would get from these projects of taking cars off the road and driving better land use decisions where we have housing infill to get to a smart growth strategy for the State of Colorado is worthy of the cause. And I think we have paved a much different way than what California has done, and certainly, I think we are all students

of having watched what California has done, and paved a different way forward in Colorado that has as much certainty around it as you possibly can for a big public infrastructure project.

JULIEN BOUQUET: Thank you. I'm going to go to Director Paglieri, I saw his hand, and I'll come back to you, Secretary.

BRETT PAGLIERI: Thank you, Chair, and thank you, guests, for your presentation. Appreciate it. I think I just want to start out by saying, the Front Range needs rail-- needs passenger rail service. We have a growing population, people moving here and bringing their cars, we have increased poor air quality. There's a lot of reasons why we need rail.

And there's so many reasons that, in 2003, the people said we need rail, and they asked for it. And time and time again, people have asked for it over and over again. And the legislature, even this year, said, once again, we need rail. RTD, you have to build the rail that you promised to build back when the voters said you had to build rail.

So I'd like to keep to our commitment towards at least doing what we can to finish FasTracks because we need rail. But I do have a few concerns, and I think I'll just highlight one concern and-- a question first, and then a concern. I guess they're tied together, but three round trips per day is starter service. It's useful transit for some, but not as many as 10 round trips or 12. I'd really like to see the movement towards double-tracking so we can get those higher frequencies and make this a really useful transit service for the people along the Front Range and in the Front Range District.

But with what we're building and what we're committing-- this IGA, first of all, is just allowing something to go forward so we can get more information. We're not committing any funds yet. So I do hope you support the IGA. But in the IGA, I would like to see some type of assurance that we can continue on the path towards that those 10, 12 round trips per day or double-tracking. And if it's possible, the legislator has already given FRPRD a revenue for collecting. I don't really see, in the future, the state giving us a couple billion dollars to build double-tracked Front Range Passenger Rail, but the people could choose to do it.

So I would like-- I guess my question, then, to not lead-- sorry about the leading question, is if it would be possible to do-- put some assurances that would require this new entity with IGA to pursue expanded service and not just stop at three trains per day. Thank you.

LISA KAUFMANN: Thanks. Yeah, and I think that's important feedback as to what the Board would like in the IGA. And so we could certainly take that back.

BRETT PAGLIERI: Thank you.

JULIEN BOUQUET: Thank you, Director. All right, any further comments, questions? Secretary, and then Director Guzman.

CHRIS NICHOLSON: Thank you. Two very quick things. So first off, I just want to make an important point. I want this train. I actually really, really want this train. I am one of a handful of people on the Board who doesn't have a car. Getting to Boulder, getting to Longmont, this would be-- and I live like 10 minutes from Union Station. This would be a massive improvement in my quality of life getting up the northwest.

And for exactly the reason that you alluded to, Ms. Kaufman, this is an opportunity to build a ton of new housing in a place that badly needs it, make it easier for people to get to Denver. There are lots of reasons, in principle, to like this project. The same way that I like the idea of having a summer home in Bali, or a

winter home. The question is, can I afford it? And can I make it work? Does the access of me flying out there--

So really, it just comes down to, I'm putting you through the paces on this. I'm running the traps. I'm making this as difficult as I am because as someone who's been involved in government since I was 18, I am terrified, genuinely freaked-- have had mild panic attacks over this decision because I don't want to turn 50 or 55 or 60 and look back and say, wow, I signed on to a gigantic money pit.

On the other hand, I don't want to look back and say, wow, I missed out on signing on to one of the best expansions of passenger rail that we were ever going to have. So, it doesn't come from a place of disliking the project. It comes from a place of gigantic amounts of fear over the significance of this decision.

LISA KAUFMANN: I appreciate that, I think it's really well founded given the history of this project and the way we've grown as a metro area and the needs that we have in the metro area for more transit and rail, and the constraints that we have around revenue as a state and how we can gain new revenue as a state.

So I think all of that thoughtful approach is warranted, which is partly why the step that we are contemplating now is, can we all agree on how we would make joint decisions to then go negotiate with BNSF, come back to the governing boards with the result of that and say, is this ROI worth it?

And that would come after a successful negotiation that would enumerate the infrastructure that has to correspond with the access agreement for daily round trips. And at that juncture, I think you would have a big decision to be made, and we would have a lot more information on we have verified the infrastructure list with BNSF, we have the engineers price that out.

And then we have a financial model on how it would work. So does it make sense for CTIO, who has bonding capacity, to finance all of PTC? That would be enumerated in the finance plan. Which piece of which puzzle would look at the finance plan based off of that infrastructure list? Obviously RTD would need to look at just infrastructure costs within the RTD region, not outside of it.

So I think we're attempting to eat an elephant. We have to do it chunk by chunk here, and it's really getting to a place where we all agree on how we're going to operate together to collaborate to get to an access agreement, and then once we have an access agreement, how do we create a finance plan based off of that agreement. And then you all will have a big decision to be made on the ROI of that investment. We just can't get there without having those negotiations first.

JULIEN BOUQUET: Thank you. Based on the sake of time, I'm going to have Treasurer Benker and then Director Guzman as our final two.

KAREN BENKER: Thank you. One of the things we haven't really talked about-- and I was hoping that we could get to it in our executive session, but time has gone by fast.

JULIEN BOUQUET: We can extend also and start our Board meeting later.

KAREN BENKER: I've been trying to meet with as many of our Board Directors as possible, and I'm hoping to meet with everybody. I've been working-- I think you all know, I've been working on these numbers for a long time, but last year, the state legislature gave us two new revenue sources. So when we're talking about, oh my, this project looks-- first of all, the cost estimates were getting right now are very reasonable. Much less than what they were even a couple of years ago. But we now have some new revenue sources out there.

And actually, I was hoping Lisa wasn't going to hear me do some of this, but if you go in and you take a look at the two new bills that were passed last year and the different pots of money that they put the money in, we have-- or the state has \$174 million a year of new money that we need to ask for and write a grant for.

So if you're talking about RTD money, this could be RTD money. Sorry, Lisa. But this is where we need to talk with the state. We need to do some negotiation. And when we're talking about how it's going to hurt our budget, this is all new. This is all new money. \$174 million the state legislature gave us last year for transit.

Now is that all RTD? No, probably not. A good chunk of it could be. A big chunk of it could be. And this is where I was hoping as a board that we could talk about this because, again, we can debate FISA-- and we will, we should. And there's a lot of things that we can talk about with FISA. But there's so much new money on the table. There's so much opportunity. And we've got some great partners here to make it happen.

And so if we do go into special session-- I'll go ahead and pass out my last Excel spreadsheet here. I keep making tweaks to it and I will continue to do it. But I guess I just didn't want the Board to think that it's going to be coming mostly-- or coming out of our base budget because it doesn't have to. It could come out of the new money that the state legislature has opened up for us, so thank you.

JULIEN BOUQUET: Thank you, Treasurer.

LISA KAUFMANN: Can I say one thing on that? Is it's also not just the last two bills that passed. And actually, if you go back and you look at Senate Bill 260 that passed in 2021, one of the things that we created-- and that was the new delivery fee. And the delivery fee was created in order to help public agencies that need to refleet to low to zero emissions. And it created around \$60 million in the first five years-- so it's that \$0.29 that shows up on your Amazon bill every time you get Amazon.

And that we would love to partner with RTD on their refueling strategy. Obviously, refueling for air quality improvements is a big priority for us. And so it's not just on these rail projects do we want to be a collaborative funding partner. It's really on all of the needs that RTD has as we try to reach our mutual goals around expanding transit and rail service for the metro area.

And so not just the rail projects is important for you to hear me say. There's all sorts of money that we have created to partner with RTD on that we want to partner with RTD on and really think about how we maximize public financing tools that we have at the state in order to get to our broader vision of a smart growth strategy for the State of Colorado.

JULIEN BOUQUET: Thank you. Director Guzman.

MICHAEL GUZMAN: Thank you, Mr. Chair. I also want to see this project get done. I voted for it when it was first in front of me on a ballot when I was early voting as a young child. Let's be real.

SPEAKER: You're a young man.

MICHAEL GUZMAN: Well yeah, OK. It feels a long time ago now. So I get the frustration of all of my long monsters who have been emailing me lovingly about trying to approve something that we're actually not making a decision on right now. But I do understand the frustration and consternation. And I don't want to be burnt in effigy in Longmont by anybody. I represent Denver and my concern as a Director needs to be to my subdistrict first, and then to the benefit of the entire region.

I appreciate the outreach for partnership from the state. That's the first time I've heard it given to us that way and explained to us that way. And I would like to do that partnership as well. But I am hesitant to reach my hand out in return when every time I turn around, I'm attacked or the Board is attacked or the agency is attacked by the state.

And so from me to the administration of our state right now, I would really appreciate it if you guys would work with us so that we can have a better relationship because right now, I am once bitten, twice shy, which puts me in a defensive mode over my agency, as is my fiduciary duty of loyalty.

My question, though, is for our missing partner, who is not, I believe, represented here, but when is FRPRD going to get their taxing situation in order and go to the voters? Because we can do a lot within the Regional Transportation District geography. Beyond that, I wouldn't vote to commit any money outside of it, and I don't believe we are legally allowed to do so. There was some change in the law, but I still didn't understand whether that allowed us to do that or not.

And so just a final question that can come back later in the report next month. What's going on with our partner that is absent at this point? Because their funding has come from the state and not from their own resources. Thanks.

LISA KAUFMANN: Yeah, it's a great question, and it's partly why we have jumped into the fray to start trying to figure out how to create this collaborative approach to funding these projects. And again, why I think it's important for you to hear me say, it's not just about funding Northwest Rail's commitment to the voters, but it's about completion of all of the unfinished FasTracks projects because we have pulled multiple times Front Range Passenger rail, and it is not currently viable at the ballot because of the voters' skepticism that we all collectively could be trusted with a new revenue source to do a rail project because of the hangover of FasTracks.

And so it's a big barrier to going back to the voters and asking for increased resources, is that they don't have an answer to this outstanding problem. And so I think it's incumbent on everyone who is trying to provide the best transit service and expanded service for Colorado to try to see how we problem-solve around that because it's not just FRPR that is suffering from it.

It will be the case if RTD needs to go back to the voters for new transit money, it will be the case if there's new RTAs in the metro area that would like to stand up service, is that this is a big barrier to voters approving any additional resources.

JULIEN BOUQUET: Perfect. Thank you. Director Ruscha.

JOYANN RUSCHA: Thank you, Mr. Chair. My ears perked up when I heard polling, and I have not seen the polling that was just referenced. And so I was wondering if that's something that's available or could be shared. I think that would be helpful for the Board. Thank you.

JULIEN BOUQUET: Thank you.

LISA KAUFMANN: Sure. I'm happy to share the slide deck that I did to Colorado Rails meeting a couple weekends ago that has some of those pertinent slides in it.

JULIEN BOUQUET: Excellent. Well, Ms. Barrett, Ms. Kaufmann, do want to greatly appreciate you for your time. Thank you, Directors, for comments and questions. We're looking forward to our June report, and

hopefully the feedback and questions that were presented this evening will be helpful going forward. So I want to thank you both. Thank you.

All right. In a moment, the Board will meet in executive session regarding a proposed Intergovernmental Agreement Related to Joint Service for the Northwest Rail Corridor. I'd like to amend the motion to move into executive session to state that the Special Board Meeting will be deemed adjourned after it adjourns into executive session.

For public transparency, this means that once the Board moves into executive session, the main meeting will be adjourned for anyone who might be in the room or remote. The regular scheduled Board meeting will occur after this meeting with the anticipated start time of-- I'm going to say 6:30. It might be a little bit longer, but anticipated start time of 6:30. So please know that we'll be back then.

I'll now entertain a motion to move into executive session to discuss the following. Pursuant to 24-6-402(4)(e) for Determining Positions Relative to the Matter That May be Subject to Negotiations, Developing Strategy for Negotiations and Instructing Negotiators; and 24-6-402(4)(b) for Legal Advice Regarding Proposed Intergovernmental Agreement and Joint Service for the Northwest Rail Corridor. Do I have a mover.

CHRIS NICHOLSON: So moved.

JULIEN BOUQUET: Nicholson, do I have a second?

BRETT PAGLIERI: Second.

JULIEN BOUQUET: I'm going to go with Director Paglieri, thank you. All right. For all those who are expected to attend, would you please stay seated. Yes? Oh, excuse me. Are there any No votes? Seeing none, that'll pass. 14-0 and one absent. All right, for those expected to attend, would you please stay seated? And for everyone else, would you please vacate the room at this time and take all your belongings with you? Thank you.