



San Miguel Authority for Regional Transportation
Board of Directors Meeting Agenda
Thursday March 13th, 2025
3 p.m.

Join Zoom Meeting

<https://us02web.zoom.us/j/85144049428?pwd=NPCLvM7M6GQZ27v1HeeDKSsED2xkc9.1>

Meeting ID: 851 4404 9428

Passcode: 374285

One tap mobile

+17193594580,,85144049428#,,,,*374285# US

+13462487799,,85144049428#,,,,*374285# US (Houston)

Item 1: Public Comment on non-agendized items

Item 2: **Resolution 2025-8**, Part 1a 1b, and 1c, regarding the Review and Approval of the March 13th, 2025 Agenda and Consent Items, regarding the Approval of the February 13th 2025 meeting minutes, and regarding the Approval of the March 3rd, 2025 Special Meeting Minutes.

Presented By: Board Chair

Item Type: Action

Packet Page: 6

Allotted Time: 5 minutes

Item 3: **Resolution 2025-9, Ratification of funding agreement with Telluride Ski and Golf, LLC.**

Presented By: D.Averill

Item Type: Action

Packet Page: 7

Allotted Time: 30 minutes

Item 4: **March 2025 Operations report**

Presented By: K.Distefano

Item Type: Action

Packet Page: 22

Allotted Time: 15 minutes

Item 5: **Executive Director report**

Item 6: **Round Table Updates and Reports**

GLOSSARY

5304	FTA program funding for multimodal transportation planning (jointly administered with FHWA) in metropolitan areas and States
5311	FTA program funding for rural and small Urban Areas (Non-Urbanized Areas)
5339	FTA program funding for buses and bus facilities
AAC	SMART Administrative Advisory Committee
ADA	Americans with Disabilities Act of 1990
AIS	Agenda Item Summary
CAAA	Clean Air Act Amendments of 1990 (federal)
CAC	SMART Community Advisory Committee
CDOT	Colorado Department of Transportation
CMAQ	Congestion Mitigation and Air Quality (a FHWA funding program)
DBE	Disadvantaged Business Enterprise
DOT	(United States) Department of Transportation
DTR	CDOT Division of Transit & Rail
FAST ACT	Fixing America’s Surface Transportation Act (federal legislation, December 2015)
FASTER	Funding Advancements for Surface Transportation and Economic Recovery (Colorado’s S.B. 09-108)
FHWA	Federal Highway Administration
FTA	Federal Transit Administration
FY	Fiscal Year (October – September for federal funds; July to June for state funds; January to December for local funds)
FFY	Federal Fiscal Year
HOV	High Occupancy Vehicle
HUTF	Highway Users Tax Fund (the State’s primary funding source for highways)
IGA	Inter-Governmental Agreement
ITS	Intelligent Transportation Systems
LRP or LRTP	Long Range Plan or Long Range Transportation Plan
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
NAA	Non-Attainment Area (for certain air pollutants)
NAAQS	National Ambient Air Quality Standards
NEPA	National Environmental Policy Act
PPP (also P3)	Public Private Partnership
R3 or R5	Region 3 or Region 5 of the Colorado Department of Transportation
RPP	Regional Priority Program (a funding program of the Colorado Transportation Commission)
RSH	Revenue Service Hour
RSM	Revenue Service Mile
RTP	Regional Transportation Plan
SOV	Single Occupant Vehicle
STAC	State Transportation Advisory Committee
STIP	Statewide Transportation Improvement Program
TA (previously TAP)	Transportation Alternatives program (a FHWA funding program)
TC	Transportation Commission of Colorado
TIP	Transportation Improvement Program
Title VI	U.S. Civil Rights Act of 1964, prohibiting discrimination in connection with programs and activities receiving federal financial assistance
TPR	Transportation Planning Region (state-designated)
TRAC	Transit & Rail Advisory Committee (for CDOT)
VMT	Vehicle Miles Traveled



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Item 4: **March 2025 Operations report**

Presented By: K.Distefano

Item Type: Action

Allotted Time: 15 minutes

Item 5: **Executive Director report**

Item 6: **Round Table Updates and Reports**

**San Miguel Authority for Regional Transportation
Board of Directors Meeting February 13th, 2025 Regular Meeting
Virtual meeting minutes**

Member Directors Present: San Miguel County – Galena Gleason. Town of Telluride – J. Meehan Fee, Ashley Story Von Sprecken. Town of Rico – Joe Dillsworth, Town of Mountain Village – Harvey Mogenson, Tucker Magid, Huascar (Rick) Gomez (alternate).

Staff Present: David Averill, Kari Distefano, Amber Blake (SMART).
Others: Kelly Kronenberg (Telluride Express), Sydney Proven (Fehr and Peers)

The meeting was called to order at 3:02 p.m.

Item 1: Public Comment

No public comment was offered.

Item 2: Resolution 2025-2, Part 1a, regarding the Review and Approval of the February 13th, 2025 Agenda and Consent Items and Part 1b, regarding the Review and Approval of January 9th, 2025 Meeting Minutes.

J. Meehan Fee moved to adopt Resolution 2025-2, parts 1a and 1b
Tucker Magid seconded the motion

A unanimous vote approved the motion.

Item 3: Resolution 2025-3 Extension of Lease for Telluride Crossfit and Gymnastics Academy

David Averill gave background on the item and explained the reasoning for extending the Tenants lease at 137 Society Dr. There was a brief discussion about CDOT's approval of the lease extension and the impact on SMART.

J. Meehan Fee to adopt Resolution 2025-3
Tucker Magid seconded the motion

A unanimous vote approved the motion.

Item 4: Resolution 2025-4, Emergency Services MOU with San Miguel County

Kari Distefano presented the item with a brief update from the January discussion. No significant questions or concerns were raised by the Board.

Ashley Story Von Sprecken moved to adopt Resolution 2025-4
J. Meehan Fee seconded the motion

A unanimous vote approved the motion.

Item 5: Resolution 2025-5, Gondola Project Development IGA Amendment

Amber Kyle-Blake gave background on the item and explained the changes that the amendment to the IGA entailed. Since this was discussed at the previous meeting there were no significant concerns or questions posed by the Board.

J. Meehan Fee moved to adopt Resolution 2025-5
Ashley Story Von Sprecken seconded the motion

A unanimous vote approved the motion.

Item 6: Resolution 2025-6, SMART Strategic Operating Plan Adoption

Sydney Provan from Fehr and Peers and Kari Distefano gave a presentation on the process for developing the final bus and vanpool Strategic Operating Plan, including the final recommendations for service expansion and identified capital needs to support those service expansions. The Board discussed publicizing the final plan and official adoption of it, and making a few small edits to reflect things that have changed on the ground since the final plan was drafted.

J. Meehan Fee moved to adopt Resolution 2025-6
Tucker Magid seconded the motion

A unanimous vote approved the motion.

Item 7: 4th Quarter 2024 Operations Report and 2024 Annual Performance Summary

Kari Distefano presented the 4th Quarter 2024 and 2024 Annual summaries of performance metrics and ridership. No significant questions or concerns were raised by the Board.

Item 8: January 2025 Operations Report

Kari Distefano presented the January 2025 Operations report, including an update on the Montrose route, Spring Off-Season preparations, and service expansion process and requirements. No significant questions or concerns were raised by the Board.

Item 9: Executive Session: At 4:25 p.m. the Board entered an executive session pursuant to C.R.S. 24-6-402 4(a) and 4(e) (I), (Open Meetings Law) and Sections 6.09 (a) (1) and (a) (5) of the SMART Bylaws for the purpose of: determining positions that may be subject to negotiations, developing strategy for negotiations and instructing negotiators. The Board exited the executive session with no action taken at 5:40 p.m.

Item 10: Round Table Updates and Reports

No round table updates or reports were offered.

The meeting was adjourned at 5:42 p.m.

**San Miguel Authority for Regional Transportation
Board of Directors Meeting March 3rd, 2025 Special Meeting
Virtual meeting minutes**

Member Directors Present: San Miguel County – Lance Waring, Anne Brown. Town of Telluride – J. Meehan Fee, Ashley Story Von Sprecken. Town of Rico – Joe Dillsworth, Town of Mountain Village – Harvey Mogenson, Tucker Magid, Huascar (Rick) Gomez (alternate).

Staff Present: David Averill

Others: Paul Taddune, Dalton Kelly

The meeting was called to order at 3:02 p.m.

Item 1: Public Comment

No public comment was offered.

Item 2: Resolution 2025-7, regarding the Review and Approval of the March 3rd, 2025 Special Meeting Agenda

Tucker Magid moved to adopt Resolution 2025-7
J. Meehan Fee seconded the motion

A unanimous vote approved the motion.

Item 3: Executive Session: At 3:04 p.m. the Board entered an executive session pursuant to C.R.S. 24-6-402 4(a) and 4(e) (I), (Open Meetings Law) and Sections 6.09 (a) (1) and (a) (5) of the SMART Bylaws for the purpose of: determining positions that may be subject to negotiations, developing strategy for negotiations and instructing negotiators re: TSG funding agreement. The Board exited the executive session with no action taken at 3:50 p.m.

Item 4: Executive Session: At 3:51 p.m. pursuant to C.R.S. 24-6-402 4(b) and 4(e) (I), (Open Meetings Law) and Sections 6.09 (a) (1) and (a) (5) of the SMART Bylaws regarding pending litigation in Masson vs BOCC et al. The Board exited the executive session with no action taken at 4:31 p.m.

Item 5: Round Table Updates and Reports

No round table updates or reports were offered.

The meeting was adjourned at 4:33 p.m.

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION EVIDENCING ACTIONS TAKEN AT ITS MARCH 13TH, 2025 REGULAR MEETING

RESOLUTION NO. 2025-8

RECITALS:

WHEREAS, the San Miguel Authority for Regional Transportation (“SMART”) was approved by the registered electors of the Town of Telluride, Town of Mountain Village, Town of Rico and that portion of the SMART combination that are within that part of the SMART boundaries located within unincorporated San Miguel County, pursuant to the Colorado Regional Transportation Authority Law, C.R.S. Title 43, Article 4, Part 6; and

WHEREAS, SMART is governed by the Colorado Regional Transportation Authority Law and SMART Intergovernmental Agreement (“SMART IGA”) conditionally approved by each of the governing bodies of the Town of Telluride, Town of Mountain Village, San Miguel County and the Town of Rico, and with the approval of the registered electors of those jurisdictions; and

WHEREAS, the Board held a regular meeting on March 13th, 2025; and

WHEREAS, Section 3.09 of the SMART IGA requires all actions of the Board to be taken by written resolution; and

WHEREAS, the Board desires to take action on certain items set forth below in accordance with the SMART IGA.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION AS FOLLOWS:

1. At its March 13th, 2025 regular meeting the Board took action on the following:
 - a. Approval of the March 13th, 2025 meeting agenda (Exhibit A)
 - b. Approval of the Board meeting minutes for the February 13th, 2025 regular meeting (Exhibit B)
 - c. Approval of the Board meeting minutes for the March 3rd, 2025 special meeting (Exhibit C)

ADOPTED AND APPROVED BY THE BOARD OF DIRECTORS OF THE SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION AT A REGULAR PUBLIC MEETING THIS MARCH 13TH, 2024.

Harvey Mogenson, Board Chair

ATTEST:

David Averill, Executive Director

AGENDA ITEM SUMMARY (AIS)

San Miguel Authority for Regional Transportation



MEETING DATE: March 13th, 2025

AGENDA ITEM: 3

ACTION REQUESTED: Resolution

SUBMITTED BY: D.Averill

BACKGROUND INFORMATION/KEY POINTS: SMART, it's local government stakeholders and Telluride Ski and Golf began a discussion in the summer of 2024 about how TSG could more significantly contribute to the costs of regional transportation services that benefit TSG, its customers, and the overall economic health of the region. Over the next several months funding partnership models between other Colorado ski areas and the communities they reside in were analyzed to see what might be applicable in the Telluride region. Based on this analysis, as well as an analysis of how many TSG customers and employees use the regional transportation system, it was determined that it would be appropriate for TSG to place a 4.5% fee on certain types of ticket sales in order to generate revenue to contribute to SMART to be used for future gondola and other regional transportation needs.

As a result of these conversations and analyses, the agreement under consideration today places a 4.5% “winter products fee” on certain TSG ticket products, with some exclusions. The intent of the agreement is to carve out an exemption from this fee for local residents. Importantly, the revenue and associated transactions are subject to an annual audit process to ensure that the provisions of the agreement are being upheld by all parties. The incoming revenues to SMART can be used in any manner as determined by the SMART Board of Directors, consistent with the mission of the organization. The agreement is more than an MOU and is legally binding and enforceable and is transferable in the event that ski area ownership ever changes.

COMMITTEE DISCUSSION: N/A

SUPPORTING INFORMATION: This agreement is in compliance with the SMART governing IGA and State law that SMART operates under.

FISCAL IMPACT: This agreement is projected to provide approximately \$1.5 million annually in additional revenue to support SMART regional transportation services. The costs of administering the agreement are yet to be determined.

ADVANTAGES: This is a good first step at a partnership between SMART and TSG. Additional revenue is always welcome and will be used to address ongoing regional transportation expenses including operating and capital needs.

DISADVANTAGES: This agreement does have some pass product exclusions (most notably the multi-mountain pass products such as the EPIC pass) that will need to have the 4.5% fee levied on them at some point in the future. So while it is a good starting point, there is some room to improve the agreement with future amendments.

ANALYSIS/RECOMMENDATION: Staff's recommendation is to approve this agreement in its current form and take the opportunity to amend it in the future when/if it is warranted.

ATTACHMENTS:

A: TSG funding agreement

**AGREEMENT
BETWEEN SMART AND TSG REGARDING SKI AREA CONTRIBUTION
TOWARDS REGIONAL TRANSIT SERVICES**

This Agreement ("Agreement") effective as of February [REDACTED], 2025, is between TSG Ski and Golf, LLC ("TSG"), a Delaware Limited Liability Company and the San Miguel Authority for Regional Transportation ("SMART"), a Colorado Regional Transportation Authority. TSG and SMART are collectively referred to herein as the parties.

Whereas, TSG, owns and operates the Telluride Ski Area, located within the County of San Miguel, Colorado, and is adjacent to the towns of Telluride and Mountain Village, which county and towns are constituent entities of SMART.

Whereas, TSG, is the party and/or successor to various agreements regarding the management of intermodal transportation facilities that support the customers and general business operations of TSG, including but not limited to the following, all of which involve the management and participation of funding of transportation that serves the employees and customers of TSG:

- Gondola Management Agreement dated October 12, 1999;
- Memorandum of Understanding between the County of San Miguel, towns of Mountain Village, and Telluride and the Mountain Village Homeowners Association, dated May 27, 2021;
- Chondola Operating Agreement entered into as of May 12, 2002;
- Settlement Stipulation in San Miguel District Court case no 97 CV 133 dated as of the 21st day of July 1999_titled *Board of County Commissioners of the County of San Miguel, State of Colorado & San Miguel Housing Authority, Plaintiffs, v. Town of Mountain Village, Colorado; The Telluride Company; Telluride Ski and Golf Company; Telluride Mountain Village Resort Company, Inc. d/b Mountain Village Metropolitan Services, Inc; and Mountain Village Metropolitan District;*
- County, Telluride, Ski Area Expansion Approval Agreement dated as of 2nd day of August 1999;

Whereas, the parties acknowledge that the transportation services provided by SMART are necessary and integral to the community, including the Telluride Ski area;

Whereas, to help encourage SMART to maintain and operate intermodal transportation to facilitate the transportation of members of the community, including TSG's customers, including but not limited to the potential replacement and operation of the Telluride Gondola, as such may be approved by the Board of SMART and the constituent electors of SMART, from time to time, TSG has agreed to provide funding to SMART by voluntarily agreeing to charge a 4.5% fee on sales of TSG's day ticket and pass sales for winter products, further detailed below.

Whereas, pursuant to title 43, article 4, part 6, Colorado Revised Statutes, as amended, Colorado counties and municipalities are authorized to establish, by contract, regional transportation authorities, which are authorized to finance, construct, operate and maintain transportation systems; and

Whereas, by Intergovernmental Agreement dated November 9, 2016, as amended, the Town of Telluride, The Town of Mountain Village, the County of San Miguel, the Town of Rico of entered into an Intergovernmental Agreement providing for the creation of the "San Miguel

Authority for Regional Transportation" (SMART), as a regional transportation authority pursuant to Colorado Regional Transportation Authority Law, Title 43, Article 4, Part 6, C.R.S., as amended, which Agreement was ratified by the electors of the SMART at the state general election conducted on November 8th, 2016 (hereinafter referred to as the "SMART IGA") and RICO was added as a constituent in 2019; and

Whereas, pursuant to title 29, article 1, part 2, Colorado Revised Statutes, as amended (the "Intergovernmental Relations Statute"), and article XIV, section 18 of the Colorado Constitution, governments may contract with one another to provide any function, service or facility lawfully authorized to each of the contracting units and any such contract may provide for the joint exercise of the function, service or facility, including the establishment of a separate legal entity to do so; and

Whereas, section (b) of the SMART IGA states that SMART may enter into contracts with any Member or person for the provision of transit services in the manner and subject to the terms of the contracts; and

Whereas, Article VI of the SMART IGA authorizes SMART to cooperate with any person or entity to accomplish the purposes of SMART; and

Whereas, the parties desire by the terms of this Agreement to set forth their respective rights, obligations, and responsibilities with regard to the transit services to be provided by SMART, to which TSG agrees to contribute funds, from the effective date of this Agreement; and

Whereas, TSG and SMART acknowledge the November 5, 2024, ballot measure to increase property taxes, lodging taxes and sales taxes to further support SMART's maintenance and operating needs, and the parties further acknowledge that this Agreement is in furtherance of that ballot measure as an additional contribution from TSG towards SMART; and

Whereas, TSG and SMART agree that the purpose of this agreement is to articulate the terms and conditions through which TSG agrees to financially contribute to SMART's regional transit services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein and enforceable as part of this Agreement, and the mutual promises and covenants contained in this Agreement, SMART and TSG agree as follows:

1. **Fee to be collected by TSG**. Commencing with the 2025/26 Winter Season, and as further provided in paragraph 9 below, TSG has voluntarily agreed to charge a 4.5% fee on the price of all day lift tickets and pass products, with exceptions as defined in paragraph 2, for the Telluride Ski Resort during the winter season (the "**Winter Products Fee**"). The Winter Products Fee, along with the increases in property taxes, lodging taxes and sales taxes that TSG will be paying when Ballot Measure 3A, described below goes into effect, will be the total funding by TSG towards SMART's local and regional transportation needs. SMART agrees to collaborate with TSG to address future regional transportation needs.

2. Winter Product Fee Exclusions. The Winter Product Fee will not apply to or be charged on any of the following types of Telluride Ski Resort ski tickets or passes:
 - a) Tickets or passes sold to Locals (defined below);
 - b) TSG employee passes;
 - c) Telluride Ski and Golf Member passes;
 - d) VIP Passes;
 - e) Complimentary tickets and passes;
 - f) Where the pass or ticket also provides access to other ski resorts under the current EPIC pass product alliance with Vail Resorts as well as and future pass alliance agreements with other ski resorts.

3. Locals. The term "Locals" for the purposes of this Agreement, shall mean individuals who reside and work full-time, year-round in the R1 School District, as well as their dependents. It is the intent of the parties that Locals are exempt from the Winter Products Fee; however, the method of administering this has yet to be determined by the parties but will be subject to TSG's approval. Any costs of administering this shall be paid for by SMART and are subject to the agreement of both parties.

4. Term. This term of this Agreement shall commence on the date first written above, for a one (10) year period ("Initial Term"), which Initial Term shall automatically renew for one (1) year renewal terms (each a separate "Renewal Term") until: an event occurs as set forth in Section 14 below (Breach and Termination) causing early termination. If one of the parties wishes to terminate this agreement, both parties agree that a notice of termination must be given by December 31st of the preceding year that this agreement will end. For instance, if there was a desire to terminate the agreement for the 2028/2029 winter ski season, the notice of termination would need to be given by December 31st of 2027.

5. Ballot Measure 3A. The SMART Board has authorized a Ballot Measure titled 3A which was voted on and approved by the SMART district voters on November 5, 2024. Ballot Measure 3A provides for SMART to levy and collect increases in sales, property and lodging taxes in the district for the purpose of future funding for the gondola and expanded bus service. This Agreement will automatically terminate if Ballot measure 3A fails to go into effect for any reason.

6. TSG's Existing Fee to TMVOA. SMART acknowledges that TSG is currently paying a 1% fee towards gondola operations and maintenance on day lift ticket sales pursuant to an agreement with TMVOA through 2027. The amount paid to SMART pursuant to this Agreement will be reduced by the amount of this fee paid by TSG to TMVOA until January 1, 2028, at which time the full 4.5% will be paid to SMART.

7. Confidential Information. SMART acknowledges and agrees that information regarding specific lift ticket and pass sales and revenue of TSG or its related entities ("**Confidential Information**") is a trade secret and Confidential Information not subject to public disclosure under section 24-72-204(3)(a)(IV) of the Colorado Open Records Act (CORA). SMART shall not have access to any records from TSG by virtue of this Agreement or otherwise and shall instead rely on the information provided by the 3rd Party Auditor, as defined in Exhibit A below. In the event SMART obtains Confidential

Information it agrees not to release such information to the public or to any SMART employee or auditor who does not have a direct use for such information in carrying out their duties. SMART further agrees to immediately notify TSG of any public request for such information. TSG acknowledges that SMART is subject to the Colorado Open Records Act, C.R.S. Sec. 24-72-200.1, et seq. ("CORA"). Disclosure of information as required under CORA shall not be considered a breach of this Agreement, provided that SMART shall provide TSG with prior notice of such compelled disclosure (to the extent legally permitted) in order to give TSG the reasonable opportunity to object to such disclosure. In the event of the filing of a lawsuit to compel such disclosure, SMART will tender all such material to the court for judicial determination of the issue of disclosure, and TSG agrees to intervene in such lawsuit to protect and assert its claims of privilege against disclosure of such material or waive the same.

8. Payments and Reporting. TSG will pay and report to SMART the amount of the Winter Products Fee each month during the ski season when applicable sales occur, as follows: Each year, beginning the month TSG begins selling its winter ticket and pass products, TSG will notify SMART of the monthly Winter Products Fee revenue collected by TSG. TSG will provide this information to SMART by the 15th of each calendar month following the month of collection. The Fee will be net of returns and will not be charged on any additional offerings included with the ticket or pass. TSG shall pay to SMART the amount of the Winter Products Fee for such proceeding month concurrently with such notice to SMART. Within 60-days following the end of each winter season, TSG will create a final report for SMART taking into consideration any refunds or adjustments to the prior reporting and payments ("True-Up") and deliver a final accounting and report for that year to SMART along with any additional monies due from TSG to SMART based on the True Up and such final report. If monies are owed to TSG (i.e., by overpaying SMART or refunding tickets or passes that have already paid the Winter Products Fee), SMART will pay such amount to TSG within 30-days or as soon thereafter as possible.
9. Disclosure of Fee. TSG will charge the Winter Products Fee to the public and classify it as a "fee". Such fee will be charged in addition to or "on top of" TSG's ticket window prices for Winter Pass Products. The fee will be disclosed to the public as a fee to fund SMART's regional transportation services pursuant to agreement with SMART. The actual language of this disclosure to the public and how and when it is publicized is subject to TSG's and SMART's final language and approval. The parties agree that neither party will characterize the Winter Product Fee in a manner substantively different than as set forth in this section unless agreed to by both parties.
10. Annual Audit. Each year the amount of the Winter Product Fee will be audited (the "Audit") to be undertaken by a 3rd party Auditor paid for by TSG (the "Auditor"). The parties agree that the Auditor for the first year shall be Haynie & Company. The Auditor may change or be changed at any time by the mutual agreement of the parties. The Auditors scope of work and deliverables are set forth on Exhibit A attached hereto. In the event of a variance between the actual amount paid to SMART by TSG and the amount that should have been paid as determined by the Audit, the party owing money to the other party shall pay the to the other party such variance within thirty (30) -days.
11. Use of the Fee. The Winter Products Fee can be used for whatever purposes the SMART Board of Directors deems necessary and appropriate, in the Board's sole

discretion. SMART agrees to continually and in good faith work with TSG and take TSG's needs into consideration when planning and executing SMART's community transportation plans.

12. Public Statements. TSG and SMART agree that they will work in good faith to craft a communications plan and written public statements regarding the funding contribution from TSG to SMART.
13. Authority. Each party represents and warrants that it has all inherent legal authority requisite to entering into this Agreement, has taken all action necessary to authorize the execution of this Agreement and to perform and satisfy the transactions and obligations contained herein, and has duly authorized the signatories to execute and deliver this Agreement on its behalf. A party shall have the right in its discretion, to either temporarily suspend or permanently terminate the Agreement if there is any valid dispute as to the legal authority of the other Party or the person signing this Agreement on behalf of the other party to enter into this Agreement.
14. Breach and Termination
 - a) Breach. In the event that either party believes that the other has breached any requirement of this Agreement, such non-breaching party shall give written notice to the breaching party of such breach. The breaching party shall have 30 days to cure such breach, or such longer time as may be required if the nature of the breach is such that it cannot be cured within 30 days, and if such party does so, no breach shall be deemed to have occurred.
 - b) Termination for breach. If a breach is not cured as described in Paragraph 14.a) above, the non-breaching party may terminate this Agreement by giving written notice to the other party of such termination.
 - c) Other events of Termination. This Agreement shall become null and void immediately, without right to cure, if any "tax" or "fee" (or something similar) is imposed on TSG or its products by the Town of Telluride, the Town of Mountain Village, SMART, the County or the voters of all or portion of the local community or otherwise. A "new tax" or "fee" shall mean any tax, fee or cost which is applicable to or placed upon any ticket or pass products which are subject to this agreement of TSG or its revenue.
15. Enforcement. The parties agree that this Agreement may be enforced in law or in equity for specific performance, injunctive, or other appropriate relief, including actual damages required under this Agreement (notwithstanding termination of the Agreement), as may be available according to the laws and statutes of the State of Colorado; provided, however, the parties agree to and hereby release any claims for incidental, indirect, special, consequential, or punitive damages.
16. Force Majeure. Neither party shall be liable for delay or failure to perform hereunder, despite best efforts to perform, if such delay or failure is the result of *force majeure*, and any time limit expressed in this Agreement shall be extended for the period of any delay resulting from any *force majeure*. Timely notices of the occurrence and the end of such delay shall be provided by the party asserting *force majeure* to the other party. "*Force Majeure*" shall mean causes beyond the reasonable control of a party such as, but not limited to, adverse weather conditions, acts of God or the public enemy, strikes, work stoppages, unavailability of or delay in receiving labor or materials, faults by contractors,

subcontractors, utility companies or third parties, fire or other casualty, or action of government authorities other than SMART.

17. Entire Agreement. This Agreement, including the exhibits which are hereby incorporated into this Agreement by reference, constitutes the entire agreement of the parties. The parties agree there have been no representations, oral or written, other than those contained herein and that various promises and covenants contained herein are mutually agreed upon and are in consideration for one another.
18. Amendment. This Agreement may be amended, modified, or changed, in whole or in part, only by written agreement executed by the parties in the same manner as this Agreement.
19. Notices. Notices and other communications which, may be given or are required to be given hereunder shall be in writing and shall be deemed given to a party when delivered personally or when deposited in the United States mail with sufficient postage affixed, certified and return receipt requested, and addressed to such party at the respective address shown below, or such other address as designated in writing by either party:

To SMART: San Miguel Authority for Regional Transportation
PO Box 3140
Telluride, CO 81435
Attn: Executive Director

To TSG: TSG Ski and Golf, LLC
565 Mountain Village Blvd,
Telluride, CO 81435
Attn: legal department

The persons or addresses set forth above may be changed at any time by written notice.

20. No Joint Venture. Nothing in this Agreement shall be construed to or be deemed to have created a partnership or joint venture. No rights are conferred to any party other than as expressly set forth herein.
21. Agreement Administration. For purposes of administering this Agreement, SMART shall be entitled to rely on the notices, communications, and agreements of the Chief Financial Officer of TSG, and such other persons as TSG may designate in writing. Likewise, for such purposes, TSG shall be entitled to rely on the notices, communications and agreements of the SMART Executive Director or other such person as the SMART Board of Directors may designate in writing.
22. Further Assurances. The parties shall take such further actions as shall be reasonably necessary to carry out the intention of this Agreement.
23. Severability. Should any part, term, portion or provision of this Agreement be finally decided to be in conflict with any law of the United States or of the State of Colorado, or otherwise be unenforceable or ineffectual, the validity of the remaining parts, terms, portions, or provisions shall be deemed severable and shall not be affected thereby, provided such remaining portions or provisions can be construed in

substance to constitute the agreement that the parties intended to enter into in the first instance.

24. Successors and Assigns. This Agreement shall bind and inure to the benefit of the parties hereto, their successors, and assigns. Neither party shall assign this Agreement in whole or in part without the prior written consent of the other party, which consent shall not be unreasonably withheld. In the event of a transfer of ownership of Telluride Ski Resort, TSG agrees that all obligations in this Agreement will be binding upon TSG's successors and assigns and transferred to and accepted by the new owner(s) as a condition of sale.
25. Attorney's Fees. Should this Agreement become the subject of litigation or arbitration to resolve a claim of default in performance by either party, the substantially prevailing party shall be entitled to its reasonable attorneys' fees, expenses, and court costs from the other party.
26. Governing Law. The laws of the State of Colorado shall govern the validity, performance and enforcement of this Agreement with jurisdiction and venue for any judicial enforcement being vested exclusively in the state court of San Miguel County.
27. Expenses. Each of the parties will bear its own expenses in connection with negotiating and preparation of this Agreement.
28. Time is of Essence. Time is of the essence for any notice or election permitted or required by this Agreement
29. Conformance With Laws. Each party hereto agrees to abide by and to conform to all applicable laws of the Federal Government, the state, and anybody corporate and politic having any jurisdiction over the subject matter of this Agreement. Nothing in this section contained, however, shall require any party hereto to comply with any law, the validity or applicability of which shall be contested in good faith and by appropriate legal proceedings.
30. Execution of Documents. This Agreement shall be executed in two (2) counterparts, either of which shall be regarded for all purposes as one original. Each party agrees that it will execute any and all documents and resolutions or ordinances necessary to give effect to the terms of this Agreement.
31. Waiver. No waiver by either party of any term or condition of this Agreement shall be deemed or construed as any waiver of any other term or condition, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether the same or of a different provision of this Agreement. Nothing in this Agreement shall be construed as a waiver of any defense or limitation available to either party through the Colorado Governmental Immunity Act (Colorado Revised Statutes § 24-10-101, et. seq., as amended).
32. TABOR Compliance. Notwithstanding anything to the contrary contained in this Agreement, neither TSG nor SMART shall have any obligations under this Agreement, nor shall any payments be made in respect of any period after any December 31 of each calendar year during the term of this Agreement, without an appropriation therefore by

the SMART Board., in compliance with the provisions of the Local Government Budget law (C.R.S. §29-1-101 *et seq.*), and the TABOR Amendment (Colorado Constitution, Article X, Sec. 20)

33. Adoption. This Agreement shall be effective upon the approval of both the authorized representative of TSG and the Board of Directors of the SMART.

IN WITNESS WHEREOF, the parties have executed this Agreement on the ____ day of _____, 2025.

SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION

By: _____
Printed Name: _____
Title: _____

ATTEST:
By: _____
Printed Name: _____
Title: _____

TSG SKI AND GOLF, LLC
By: _____
Printed Name: MC Horning, Jr.
Title: Manager

ATTEST:
By: _____
Printed Name: _____
Title: _____

Presence of Colorado funding remains intact

EXHIBIT A
AUDITORS SCOPE OF WORK AND DELIVERABLES



1221 W. Mineral Avenue, Suite 202
Littleton, CO 80120

☎ 303-734-4800

📠 303-795-3356

🌐 www.HaynieCPAs.com

TSG Ski & Golf, LLC
c/o Chad Horning
565 Mountain Village Blvd
Telluride, CO 81435

Dear Mr. Horning,

Thank you for the opportunity to submit this proposal for an examination engagement to TSG Ski & Golf, LLC (the Company). An examination provides the same level of assurance as an audit and reduces the risk of undetected material misstatements to a low level with a resulting opinion about the conformity of the subject matter with the criteria. We believe this engagement will meet the Company's needs by providing the level of assurance required in relation to its draft agreement with San Miguel Authority for Regional Transportation.

I. Introduction

This examination aims to evaluate the Company's calculations of fees remitted annually in accordance with the San Miguel Authority for Regional Transportation (SMART) funding agreement dated September __, 2024. The examination will assess the underlying financial records and related funding calculations in accordance with the specified requirements of the agreement.

II. Documentation Review

- a. Funding Agreement- obtain and review the original funding agreement for terms, conditions, and compliance requirements.
- b. Financial Records- review the Company's RTP reports which detail out lift ticket sales for accuracy and completeness by reconciling the report to the annual audit.
- c. Funding Calculation- review the Company's calculation in accordance with the agreement, considering all eligible lift ticket sales.

III. Findings

We will issue an Independent Accountants' Report indicating whether or not, in our opinion, we believe the calculations and funds remitted to SMART during the year are in accordance with the funding agreement. Please see exhibit A as an example of this report.

IV. Timeline

We will issue our report within 60 days of the close of the ski season.

V. Price

Fees will be based on actual hours required to complete the examination at our standard hourly rates: Partner \$475; Manager \$300; Staff \$200

Based on our understanding at this point in time, we do not anticipate these fees to exceed \$10,000. Should facts arise that cause us to believe total costs will exceed this estimate, we will communicate anticipated additional costs quickly.

If you have any questions or concerns about this proposal, please contact Christine McLeod at 303-995-4970 (ChristineM@HaynieCPAs.com). Should you desire, we would be happy to meet with you in the near future to discuss our proposal in greater detail. We look forward to our continued relationship with you.

Sincerely,

Haynie & Company

TSG initial _____
SMART initial _____



1221 W. Mineral Avenue, Suite 202
Littleton, CO 80120

303-734-4800

303-795-3356

www.HaynieCPAs.com

INDEPENDENT ACCOUNTANTS' REPORT

Management
TSG Ski & Golf, LLC
Telluride, CO

We have examined management of TSG Ski & Golf, LLC's assertion that the annual report for the period October 30, 202X to November 3, 202X is presented accurately and completely in accordance with section ___ of the San Miguel Authority for Regional Transportation (SMART) funding agreement dated September ___, 2024. TSG's management is responsible for the assertion, calculation and report. Our responsibility is to express an opinion on the aforementioned, based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertions as described above are based on the applicable guidelines as described above, in all material respects. An examination involves performing procedures to obtain evidence about management's assertions as described above. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertions as described above, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, management's assertion as described above is based on the applicable guidelines as described above, in all material respects.

This report is intended solely for the information and use of TSG and SMART and is not intended to be and should not be used by anyone other than the specified parties.

Sincerely,

Haynie & Company
Littleton, Colorado
Month Day, 2025

TSG initial _____
SMART initial _____

RESOLUTION 2025-9

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION (SMART) APPROVING AN AGREEMENT WITH TSG SKI AND GOLF, (“TSG”) REGARDING SKI AREA CONTRIBUTION TOWARDS REGIONAL TRANSIT SERVICES.

WHEREAS, the SMART formation intergovernmental agreement (IGA) authorizes SMART to enter into contracts with any Member or person for the provision of transit services in the manner and subject to the terms of the contracts and to cooperate with any person or entity to accomplish the purposes of SMART; and

WHEREAS, TSG, owns and operates the Telluride Ski Area, located within the County of San Miguel, Colorado, and in and adjacent to the towns of Telluride and Mountain Village, which county and towns are constituent entities of SMART; and

WHEREAS, TSG, is the party and/or successor to various agreements regarding the management of intermodal transportation facilities that support the customers and general business operations of TSG; and

WHEREAS, transportation services provided by SMART are necessary and integral to the operation of the Telluride Ski area, and funding by TSG is appropriate to maintain and operate the intermodal transportation facilities and services provided by SMART; and

WHEREAS, TSG is willing to provide funding to SMART to maintain and operate intermodal transportation to facilitate the transportation of TSG’s customers, including but not limited to the potential replacement and operation of the Telluride Gondola, as provided in that Agreement between SMART and TSG regarding Ski Area Contribution Towards Regional Transit Services attached hereto and made a part hereof; and

WHEREAS, the Board of Directors desires to enter into the attached agreement with regarding Ski Area Contribution Towards Regional Transit Services.

NOW, THEREFORE, be it resolved by the Board of Directors of SMART as follows:

- 1. That**, the Board of Directors hereby approves the Agreement regarding Ski Area Contribution Towards Regional Transit Services attached hereto; and
- 2. That**, The Board of Directors hereby authorizes and directs the SMART Executive Director to execute the Agreement on behalf of SMART and take all actions

necessary and appropriate to effectuate this Resolution and the terms of the Agreement.

INTRODUCED, READ AND UNANIMOUSLY PASSED by the Board of Directors of the San Miguel Authority for Regional Transportation, Telluride, Colorado, at its regular meeting held March 13, 2025.

Harvey Mogenson
Chairman, Board of Directors

Date: _____

Attest:

David Averill
SMART Executive Director



- **Update on the Montrose Route**

The Montrose Route, which started on February 17th, got off to a slower start than I had anticipated based on phone calls and social media feedback but it is picking up. In February there were 9 people that got on in Montrose and 31 that got on in Ridgway. The evening trip back to Montrose was a little more popular with 47 total riders. More encouraging was the sale of ticket books, which indicates that the people that buy them are planning on using the bus regularly. We sold five ticket books in February. I do not have any ridership numbers from March yet.

- **Internet on Buses**

I investigated the possibility of providing internet on the buses. I talked to Jeff Prillwitz, who is the operations manager of Bustang. Bustang offers internet on their routes. I asked him how they dealt with erratic cell service. He said that they employed a system that switched cell service carriers depending on which service worked better in which locations. That would not solve our problem since there is no cell service at all from any carrier at the top of Dallas Divide, Lizardhead Pass and some portions of the San Miguel Canyon between Placerville and Keystone Hill.

I also talked to John Townsend who works in the Town of Telluride IT Department. He believed that Starlink was the only system that could potentially work across our routes but he wasn't sure if it would. The only way we can find out whether or not Starlink could provide service will be to try it. John said that the hardware for the Starlink system would be just under \$400 dollars with a \$50 monthly service fee.

- **Transit Royale Upgrade**

We have been using the Swiftly/Transit app since April of 2023. This app has allowed our bus riders to access real time information about bus arrivals. Recently we signed a contract with Transit to implement Transit Royale for everyone that uses Transit to access information about our bus system. Transit Royale offers the following additional services beyond the basic Transit app:

- 1. Comprehensive Multi-Modal Transit Planning**

- Integrated Trip Planning: Users can plan trips using buses and other forms of public transportation in a single app. The app does show the Gondola, Bustang and Galloping Goose systems on the map as public transportation routes and options, but since those systems don't have tracking devices, they do not show real time updates.
- Real-time Routing: The app dynamically calculates the best travel routes and adjusts based on service conditions.

- 2. Rider-Focused Real-Time Features**

- Home Screen Convenience: A user-friendly home screen provides immediate access to transit information.
- Real-Time Vehicle Tracking: Users can view live vehicle locations.
- Instant Trip Planner: Enables users to efficiently navigate from point A to point B without personal vehicles.
- Service Alerts & Notifications: Riders receive push notifications for delays, disruptions, and stop relocations, keeping them informed at all times.

- 3. Enhanced Accessibility for All Users**

- Accessible Trip Planning: Offers accommodations such as audible navigation for visually impaired riders, screen readers, and customizable display settings.



4. Agency-Focused Management Tools

- Service Alert Management: Transit agencies can create and push alerts directly through the dashboard, ensuring critical updates reach riders.
- GTFS-RT Data Monitoring & Debugging: Agencies receive real-time performance reports, including:
 - Automated real-time accuracy checks.
 - GTFS-RT debugging tools for issue identification.
 - Beta testing environment for system improvements.

5. Marketing & Customer Engagement

- Rider Engagement via In-App Banners: Transit agencies can deploy location-based promotional messages in multiple languages.
- Social Media & Email Campaigns: Pre-made marketing materials help transit partners promote the app's features.
- Customer Support & Feedback: Dedicated email and in-app support channels assist riders with technical and transit-related issues.

6. Data Analytics & Performance Tracking

- Transit Dashboard: Tracks downloads, active users, and route usage statistics.
- Monthly Performance Reports: Agencies receive detailed analytics on service adoption, user engagement, and transit line performance.

7. Exclusive Royale Features for Agencies

- Custom Branding: Transit agencies can incorporate logos, color themes, and customized icons for a seamless brand experience.
- Premium Features for Riders: Users get priority access to trip planning tools, leaderboard participation, and exclusive updates.
- Regular Strategy Meetings: Agencies receive quarterly and on-demand meetings with the Transit Partner Success team.

8. Strategic Transit Partnership Benefits

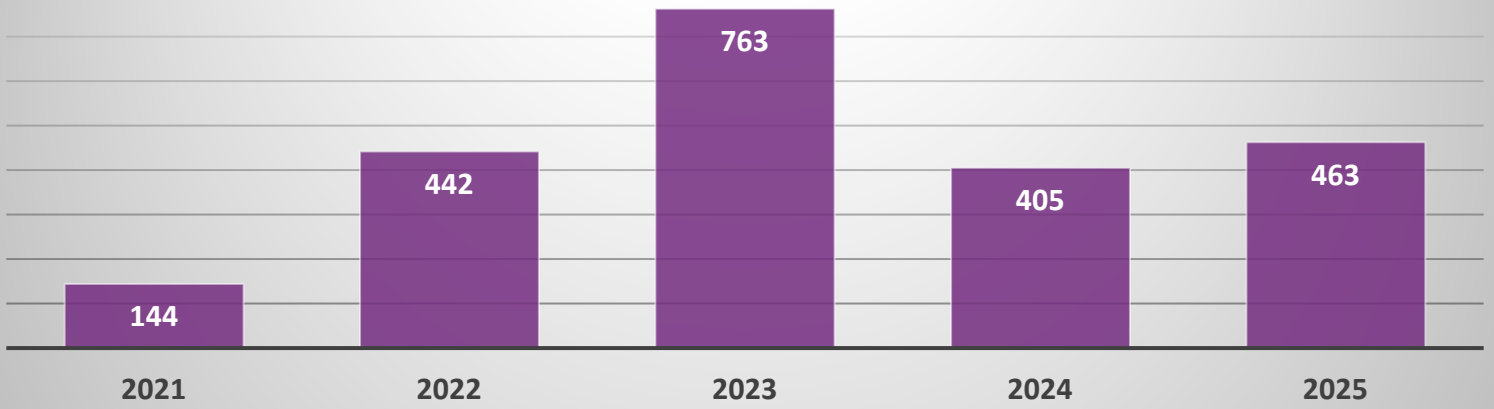
- Recurring Meetings & Training: Agencies get annual staff training, monthly reports, and direct partner support.
- Raw Data Sharing: Agencies can request detailed origin-destination trip data and ridership analytics.
- Emergency Support & Downtime Handling: Provides priority issue resolution and triaged customer support tickets.

We are expecting to launch this new service in early April.

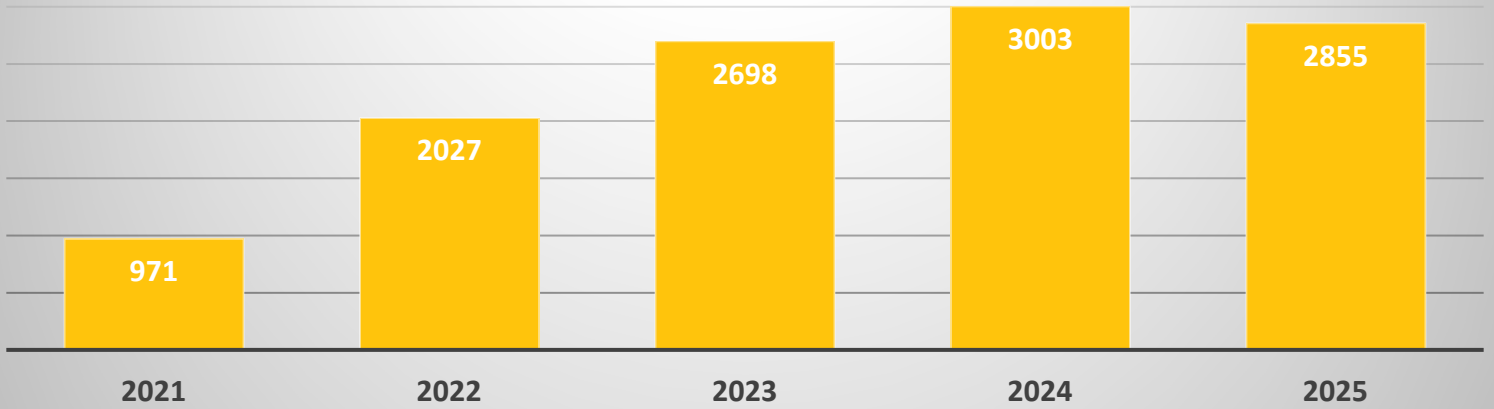
• February Ridership

The following are graphs illustrating February ridership from 2021 through 2025. The most noticeable thing about the ridership is the drop in the Norwood Route ridership.

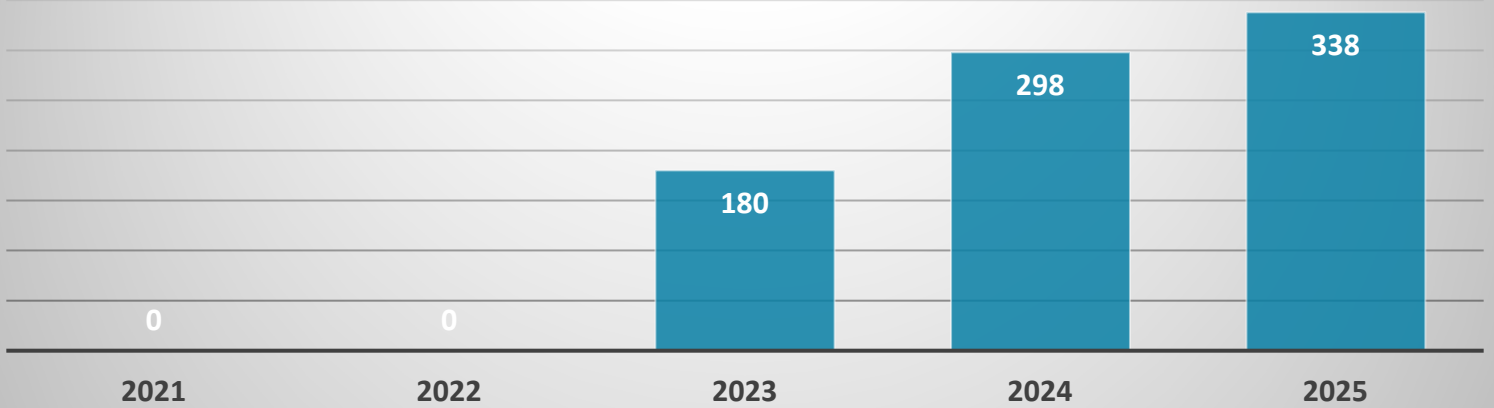
Down Valley Route February Ridership 2021 - 2025



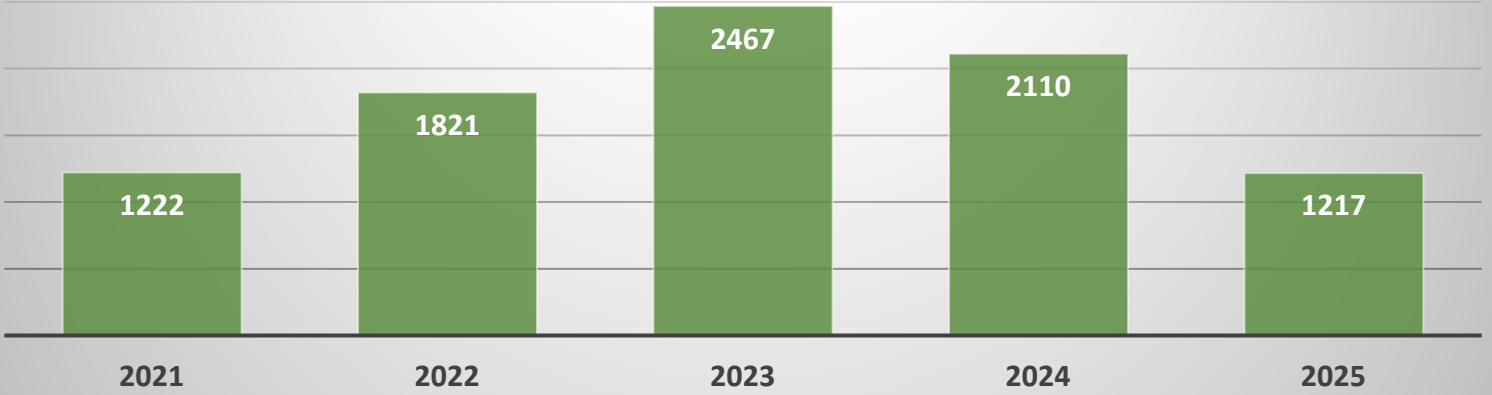
Lawson Hill Route February Ridership 2021 - 2025



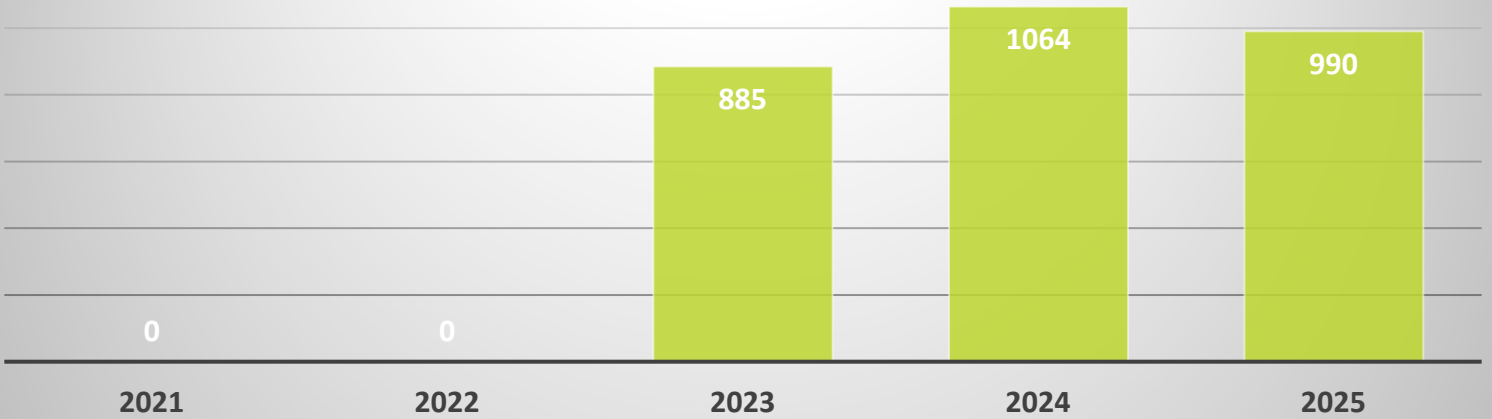
Lawson Hill / Mountain Village Route February Ridership 2021 - 2025



Norwood Route February Ridership 2021 - 2025



Nucla/Naturita Route February Ridership 2021 - 2025



Rico Route February Ridership 2021 - 2025

