MINUTES OF SEPTEMBER 12, 2012

GARFIELD COUNTY FEDERAL MINERAL LEASE DISTRICT
817 COLORADO AVE, SUITE 104B
GLENWOOD SPRINGS, COLORADO

1. **Call to Order. Meeting Convened at 9:04 a.m.**

2. **Roll called by Patti Payne**

   Director Gregg Rippy, Present
   Director Mike Samson, Present
   Director Eric Schmela, Excused

   Quorum established.

   Also in attendance: Andrew Gorgey, Legal Counsel
   Patricia Payne, Administrative Assistant to the Board
   Karl Hanlon, Esq., Counsel to City of Rifle
   Mike Braaten, City of Rifle Government Affairs Coordinator
   Rick Barth, City of Rifle Engineering Department

3. **Additions or Changes to Agenda.**

   NONE

4. **Approval of Minutes.**

   a. Motion to approve minutes as submitted, of August 15, by Director Samson, seconded by Director Rippy. Passed, Vote of 2-0.

5. **Consent Calendar.**

   a. Approve Expenses
      i. Motion to approve expenses as submitted, by Director Samson, seconded by Director Rippy. Passed, Vote of 2-0.

6. **Comments from Public on Items Not Scheduled on the Agenda.**

   NONE

7. Reports or Updates.

a. Discussion on contract 12-S-01, Airport Road with City of Rifle. Drew Gorgey received correspondence from Jim Neu on August 27th, with follow up on September 10th. Carl Hanlon informed the Board that the project bid numbers came in lower than engineers estimate. Rifle requested clarification whether additional paving along Airport Road constituted a material modification. Discussion on 70/30 split with 10% cash. Contingency discussion. Drew read letter from Jim Neu to all present. Rick prepared a diagram of where the additional work would be performed. Starting with the end of the concrete at the roundabout to the Wal-Mart entrance and continuing to the industrial area. Drew indicated the City of Rifle has followed procedure as required by the District's Grant Agreement. Discussion of waterline tie-in and valve boxes by Director Rippy. Motion that to approve the paving along Airport Road to Enterprise Court does not constitute a material modification to the project and the ceiling on funds shall remain $330,000., by Director Samson and seconded by Director Rippy. Passed, Vote of 2-0. Drew to send written confirmation of same.

b. Audit for 2011
   i. GARCO financial plan of 2011 – Auditor would have to amend statement. Drew not sure whether 2011 audited financial reports can be modified. He will notify the director of budgets. Making sure GCFMLD is not a component unit of Garfield County, going forward.
   ii. Journal Entry – The entry to each checking account will make the accounts impossible to balance. Motion by Director Samson to authorize Patti to cut a check in the amount of $128.44 from the administrative account, to be deposited in the project account, to cover the costs of check printing for the project account. Seconded by Director Rippy. Passed, Vote of 2-0.

c. RFP Engineer – tabled until October meeting and text will be presented at that meeting.

d. Direct Deposit – Director Schmela made a deposit into the Project Account of $3,769,875.08. All were notified of this via an email from Director Schmela. Discussion to hold off on taking 10% of these for administrative expenses.

e. Signs & Plaques were presented to the board. Signs will be placed at project locations. Plaques to be placed in town halls etc. Plaques will not show the dollar amount given to the grant recipient. How will the plaques be presented to grant recipients? Citizens appearing not appearing on the agenda of grant recipients discussed as an option.

8. Unfinished Business.

a. Should some of these funds be put into an interest bearing account? District may need to establish an investment policy. Can the district get a copy of the County's investment policy? Drew to follow up, provide a copy as a courtesy.
b. Staffing and related matters

i. Drew Gorgey - Proposed engagement of services with Drew included in Director's packets, as well as an email from Director Schmela to staff was presented to the board. This email related to Director Schmela's feelings about staffing. Discussion regarding additional expenses for the District. Drew would be more than just an attorney for the district. Professional liability insurance discussion.
ii. Motion to go to executive session pursuant to § 24-6-402(4)(b), (e), and (f) C.R.S. (2012) addressing employment matters with Drew Gorgey by Director Samson, seconded by Director Rippy. Passed, Vote of 2-0.
iii. Motion to end executive session by Director Samson, seconded by Director Rippy. Passed, Vote of 2-0. No decisions were made in executive session.
iv. Motion to go to executive pursuant to § 24-6-402(4)(b), (e), and (f) C.R.S. (2012)session addressing employment matters with Patti Payne by Director Samson, seconded by Director Rippy. Passed, Vote of 2-0.
v. Motion to end executive session by Director Samson, seconded by Director Rippy. Passed, Vote of 2-0. No decisions were made in executive session.
vi. Letter from Director Rippy regarding employment contract w/Andrew Gorgey of $1700 per month executed with effective date of October 1, 2012. Contract on file at district office. Motion made by Director Samson to authorize Director Rippy, President of the Garfield County Federal Mineral Lease District to sign the letter of engagement of services with Andrew C. Gorgey, Esq., seconded by Director Rippy. Passed, Vote of 2-0.
vii. Payment for employed lawyers liability insurance in the amount of $697.00 to Strategic Insurance, coverage to commence October 1, 2012 for Andrew C. Gorgey, Esq., was written and included with other checks prepared for the meeting.

9. New Business.

a. 2012 Fall Grant Applications received.
   i. 8 Mini-Grants and 8 Traditional Grants submitted.
   ii. Books will be ready for Board on Monday, September 17, 2012.
   iii. Several applications went over the number of pages permitted.
   iv. All eligible entities. All eligible projects.
   v. Garfield County Housing Authority application discussed.
   vi. Director Rippy will not see Garfield County Library applications to avoid conflict of interest.
   vii. Director Schmela will not see Battlement Mesa application to avoid conflict of interest.

10. Other Business

11. Next Meeting Date and Location.

a. Wednesday, October 10, 2012, 9:00 a.m. – District Office

12. Adjourn at 10:57 a.m.

10.10.12

Eric Schmela, Secretary Date