

RESOLUTION NO. 12-05

BOARD OF DIRECTORS  
GARFIELD COUNTY FEDERAL MINERAL LEASE DISTRICT  
GARFIELD COUNTY, COLORADO

RESOLUTION REGARDING ORGANIZATION AND PROCEDURE OF THE GARFIELD COUNTY FEDERAL MINERAL LEASE DISTRICT REFLECTING SENATE BILL 12-31 STATUTORY CHANGES.

**Recitals**

- A. WHEREAS, the Garfield County Federal Mineral Lease District (hereinafter “the District”) is a federal mineral lease district duly created on June 13, 2011, pursuant to the Federal Mineral Lease District Act, which was Colorado House Bill 11-1218, later codified as § 30-20-1301, *et seq*, C.R.S. (2011) (hereinafter the “Act”) and conducts its affairs through its board of directors (hereinafter “District Board”), § 30-20-1307, C.R.S. (2011); and
- B. WHEREAS, as the District Board began its work, it adopted bylaws by motion on August 10, 2011, which were amended on October 12, 2011; and
- C. WHEREAS, in its 2012 Regular Session, the General Assembly passed Senate Bill 12-31 (hereinafter “SB 12-31”) Concerning Federal Mineral Lease Districts, which became law on April 6, 2012 (hereinafter “Effective Date”); and
- D. WHEREAS, on June 18, 2012, pursuant to § 30-20-1306(1)(e)(II), C.R.S., as set forth in SB 12-31, Page 7, the existence of the District became perpetual; and
- E. WHEREAS, SB 12-31 substantially amended the Act reiterating that each federal mineral lease district is an independent body politic and corporate and a public instrumentality, not an agency of county or state government, and not subject to administrative direction by any department, commission, board, or agency of a county or the State; and
- F. WHEREAS, SB 12-31 defined the District’s powers and limits by statute rendering several portions of the District’s bylaws void as a matter of law as of the Effective Date. Furthermore, as a matter of policy, the District Board wishes, by resolution, to restate its organization and governance and otherwise to ensure conformity with the Act, as amended by SB 12-31.

NOW, THEREFORE, BE IT RESOLVED that

- 1. The bylaws of the Garfield County Federal Mineral Lease District adopted by motion on August 10, 2011, and amended by motion on October 12, 2011, are REPEALED and REPLACED by this resolution effective immediately.

2. Governance and organization of the Garfield County Federal Mineral Lease District is as determined by the Federal Mineral Lease District Act, § 30-20-1301, *et seq*, C.R.S. (2011), as amended by Senate Bill 12-31, and as may be further amended from time to time, and as set forth in Exhibit A, attached hereto and incorporated herein by this reference as if fully set forth in full and anew.

DONE THIS 18<sup>th</sup> day of July, 2012, at Glenwood Springs, Colorado.

Voting:

Director Rippy:     aye  
Director Samson:    aye  
Director Schmela:    aye

BOARD OF DIRECTORS, GARFIELD COUNTY  
FEDERAL MINERAL LEASE DISTRICT

By:   
President

ATTEST:   
Secretary

# EXHIBIT A

## RESOLUTION REGARDING ORGANIZATION AND PROCEDURE

### GARFIELD COUNTY FEDERAL MINERAL LEASE DISTRICT

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## **ARTICLE I. PURPOSE AND AUTHORITY**

Section 1. The purpose and authority of the Garfield County Federal Mineral Lease District (hereinafter "District") shall be as described in the Federal Mineral Lease District Act, § 30-20-1301, *et seq.*, C.R.S. (2011), as amended by Senate Bill 12-31 (hereinafter "the Act"), and as may from time to time be amended.

Section 2. The District is an independent body politic and corporate and a public instrumentality, not an agency of county or state government, and not subject to administrative direction by any department, commission, board, or agency of a county or the State. Its powers and limits on its power are defined by the Act.

Section 3. As contemplated by § 30-20-1304(2)(c), C.R.S., as amended by SB 12-31, the boundaries of the District shall be all of Garfield County including all municipalities within Garfield County.

## **ARTICLE II. BOARD OF DIRECTORS**

Section 1. All business of the District shall be governed by a Board of Directors (hereinafter "Directors" or "District Board"), who have a fiduciary duty to the District and hold their office as a public trust. Directors are appointed by a majority vote of the Board of County Commissioner of Garfield County (hereinafter "County Board"). The powers and limits of the District and the Directors are statutorily defined and set forth respectively at §§ 30-20-1305.5 and 30-20-1306, C.R.S., as amended by SB 12-31. The District Board may exercise any of the powers set forth in § 30-20-1305.5 C.R.S.

Section 2. There shall be three Directors, one of whom may be a Garfield County Commissioner, but Garfield County Commissioners shall not constitute a majority of Directors. Other Directors may be representatives of the governing body of municipalities included in the District or other officials representing the interests of areas impacted by mineral lease activities.

Section 3. Terms of the initial Directors shall be as designated by the County Board and staggered so that not more than one Director's term expires in any one year. Thereafter terms shall be three years each commencing on January 15. Each Director shall hold office until the expiration of the term to which such Director is appointed or until a successor has been duly appointed.

Section 4. The County Board may remove any Director for official misconduct, incompetence, neglect of duty, or other good cause shown, so long as the removal occurs after the Director in question is given notice and an opportunity to be heard before the County Board at a public hearing. Vacancies on the District Board shall be filled by majority vote of the County Board.

Section 5. Directors shall serve without compensation. The District Board may reimburse Directors for reasonable, actual expenses incident to their duties as Directors.

### **ARTICLE III. OFFICERS**

Section 1. The Officers of the District Board shall be the President and a Secretary, elected annually by the District Board from its own members by simple majority.

Section 2. The President and Secretary shall be elected at the first Regular Meeting of the District Board after January 15 of every year. Each Officer shall hold office for a term of one (1) year or until a successor is duly elected, which election shall not be unreasonably delayed. Officers may be elected to successive terms. The District Board shall act promptly to fill vacancies in either Office.

Section 3. The President shall preside at all Regular and Special Meetings of the District Board and perform duties customary to the office. The President may call a Special Meeting of the District Board, as needed, provided statutory notice requirements are met. The President shall ensure that all business of the District Board is consistent with the Act and this resolution, as both may be amended from time to time.

Section 4. The Secretary shall perform the duties of the President in his or her absence, unavailability, or incapacity.

Section 5. The Secretary shall have the following duties some or all of which may be delegated by the District Board to the Executive Director or administrative staff:

- A. Prepare minutes of all meetings of the District Board including therein a record of all decisions made and actions taken;
- B. Serve as custodian of records for purposes of the Colorado Open Records Act.
- C. Ensure meeting notices are timely prepared and posted in accordance with the Open Meetings Law.
- D. Prepare and distribute agendas to the Directors along with the minutes of the previous meeting within a reasonable time prior to every meeting.
- E. Sign and certify documents.

## **ARTICLE IV. ADMINISTRATION**

Section 1. The District Board may use up to ten percent of the annual funding received from Colorado Department of Local Affairs (hereinafter "DOLA") for any administrative costs of the District.

Section 2. The District Board may hire or contract for an Executive Director, administrative staff, legal services, financial or accounting services, as needed.

Section 3. The District Board may adopt policies and procedures necessary for the execution of its business.

## **ARTICLE V. FINANCE, BUDGET, AND AUDIT**

Section 1. Funding exclusive of administrative costs may be used for planning, construction, and maintenance of public facilities and for public services as set forth in §34-63-102(1)(a)(I) C.R.S. The District Board shall distribute all of the funding that the District receives from DOLA, exclusive of allowable administrative costs, to areas that are socially or economically impacted, directly or indirectly, by the development, processing, or energy conversion of fuels and minerals leased under section 35 of the Federal "Mineral Lands Leasing Act" of February 1920, as amended, and consistent with the Act. The District Board may reserve all or a portion of the funding for use in subsequent years.

Section 2. The District Board may review any reports or studies made or may seek any additional reports or studies it deems necessary regarding the distribution of funding in the District.

Section 3. The District Board may cooperate or contract with any other district created under the Act to provide any function or service lawfully authorized to each of the cooperating or contracting districts, including the sharing of costs, only if the cooperation or contracts are authorized by each district with the approval of each district's board of directors.

Section 4. Any contract providing for the sharing of costs may be entered into for any period, not to exceed the existence of the district and notwithstanding any provision of law limiting the length of any financial contracts or obligations of governments. Any such contract shall set forth fully the purposes, powers, rights, obligations, and responsibilities, financial and otherwise, of the contracting parties. Where other provisions of law provide requirements for special types of intergovernmental contracting or cooperation, those special provisions shall control.

Section 5. The District Board shall comply with the Local Government Budget Law of Colorado, § 29-1-101, *et seq.*, C.R.S., and the Colorado Local Government Audit Law, § 29-1-601, *et seq.*, C.R.S., approving its budget annually and submitting its certified audited financial report annually as required.

## **ARTICLE VI. QUORUM**

Section 1. A quorum for the transaction of business at any Regular or Special Meeting of the District Board is a simple majority of the Directors.

Section 2. In the absence of a quorum the President shall terminate any scheduled meeting. Business scheduled at a meeting terminated for lack of a quorum is automatically continued to the next scheduled meeting.

Section 3. Any meetings rescheduled for lack of a quorum or other inability to hold meetings, including but not limited to inclement weather, shall comply with the Open Meetings Law pursuant to Article VIII below.

## **ARTICLE VII. MEETINGS**

Section 1. Annual Meeting. The first Regular Meeting of the District Board after January 15 of every year shall be the Annual Meeting, and the Directors shall elect Officers at this meeting. The Directors shall act promptly at other times of the year to fill Officer vacancies.

Section 2. Regular Meetings. Regular Meetings of the District Board are held on the second Wednesday of every month at 9:00 a.m., and as needed.

Section 3. Special Meetings. Special Meetings may be called by the President provided that notice of such meeting is given to each Director no less than two business days prior to the meeting. Notice shall include the date, time and place of the meeting/hearing and the subject matter to be considered.

Section 4. Notice of all meetings shall comply with the Open Meetings Law.

Section 5. Meetings shall be conducted in an orderly manner and decorum, due process, and an opportunity to be heard shall be preserved.

Section 6. All meetings shall be conducted in person. Voting by telephonic or other electronic means shall be allowed by majority vote of the Directors present in person, but appearance by telephonic or other electronic means shall not be used to establish a quorum. Proxy voting shall not be allowed.

Section 7. All meetings of the District Board shall be held at the District Office unless otherwise specified in the meeting notice.

## **ARTICLE VIII. ETHICS**

Section 1. The holding of the office of Director is a public trust, and Directors shall carry out their duties for the benefit of the people of the District. Directors shall promote public confidence by avoiding conflict of interest, impropriety, and the appearance of impropriety.

Section 2. Directors are local government officials for purposes of Colo. Const. Art. XXIX and §24-18-101 *et seq* C.R.S.

Section 3. A Director shall not:

- A. Disclose or use confidential information acquired in the course of his official duties in order to further substantially his personal financial interests; or
- B. Accept a gift of substantial value or a substantial economic benefit tantamount to a gift of substantial value:
  - i. Which would tend improperly to influence a reasonable person in his position to depart from the faithful and impartial discharge of his public duties; or
  - ii. Which he knows or which a reasonable person in his position should know under the circumstances is primarily for the purpose of rewarding him for official action he has taken.
- C. An economic benefit tantamount to a gift of substantial value includes without limitation a loan at a rate of interest substantially lower than the commercial rate then currently prevalent for similar loans and compensation received for private services rendered at a rate substantially exceeding the fair market value of such services.
- D. The following shall not be considered gifts of substantial value or gifts of substantial economic benefit tantamount to gifts of substantial value for purposes of this section:
  - i. Campaign contributions and contributions in kind reported as required by §1-45-108 C.R.S.
  - ii. An occasional nonpecuniary gift, insignificant in value;
  - iii. A nonpecuniary award publicly presented by a nonprofit organization in recognition of public service;

- iv. Payment of or reimbursement for actual and necessary expenditures for travel and subsistence for attendance at a convention or other meeting at which a Director is scheduled to participate;
  - v. Reimbursement for or acceptance of an opportunity to participate in a social function or meeting which is offered to such Director which is not extraordinary when viewed in light of the position held by such Director;
  - vi. Items of perishable or nonpermanent value, including, but not limited to, meals, lodging, travel expenses, or tickets to sporting, recreational, educational, or cultural events;
  - vii. Payment for speeches, appearances, or publications reported pursuant to §24-6-203 C.R.S.;
  - viii. Payment of salary from employment, including other government employment, in addition to that earned from being a member of the general assembly or by reason of service in other public office.
- E. The provisions of Section 3.D. above are distinct from and in addition to the reporting requirements of §1-45-108 C.R.S. and section §24-6-203 C.R.S., and do not relieve an incumbent in or elected candidate to public office from reporting an item described in subsection (3) of this section, if such reporting provisions apply.

Section 4. A Director should not acquire or hold an interest in any business or undertaking which he has reason to believe may be directly and substantially affected to its economic benefit by official action to be taken by the District Board.

Section 5. A Director should not, within six months following the termination of his office, obtain employment in which he will take direct advantage, unavailable to others, of matters with which he was directly involved during his term as a Director.

Section 6. A Director should not perform an official act directly and substantially affecting a business or other undertaking to its economic detriment when he has a substantial financial interest in a competing firm or undertaking.

Section 7. A Director shall not:

- A. Engage in a substantial financial transaction for his private business purposes with a person whom he supervises in the course of his official duties; or
- B. Perform an official act directly and substantially affecting to its economic benefit a business or other undertaking in which he either has a substantial financial interest or is engaged as counsel, consultant, representative, or agent.

Section 8. A Director who has a personal or private interest in any matter proposed or pending before the District Board shall disclose such interest to the District Board and shall not vote thereon and shall refrain from attempting to influence the decisions of the other Directors voting on the matter. A Director may vote notwithstanding this Section 8 if his participation is necessary to obtain a quorum or otherwise enable the District Board to act and if he complies with the voluntary disclosure procedures under Section 9.

Section 9. A Director may, prior to acting in a manner which may impinge on his fiduciary duty and the public trust, disclose the nature of his private interest. The Director shall make the disclosure in writing to the secretary of state, listing the amount of his financial interest, if any, the purpose and duration of his services rendered, if any, and the compensation received for the services or such other information as is necessary to describe his interest. If he then performs the official act involved, he shall state for the record the fact and summary nature of the interest disclosed at the time of performing the act. Such disclosure shall constitute an affirmative defense to any civil or criminal action or any other sanction.

Section 10. Directors shall observe the gift ban provisions of Colo. Const. art. XXIX, § 3.

Section 11. Directors should avoid *ex parte* communications with grant applicants or prospective grant applicants with respect to the subject of grant applications and prospective grant applications. Inquiries of this type whenever made are properly referred to District staff or to the entire Board at a Regular or Special Meeting.

## **ARTICLE IX. RECORDS**

All records of the District shall be public records subject to inspection and reproduction pursuant to the Colorado Open Records Act, §24-72-200.1, *et seq.*, C.R.S.

## **ARTICLE X. OPEN MEETINGS LAW**

Section 1. Pursuant to the Open Meetings Law, §24-6-401, *et seq.*, C.R.S., the District Board shall at the first Regular Meeting of each calendar year designate the posting location(s) of its meeting notices and the official custodian of its records and minutes.

Section 2. Unless otherwise designated, the posting location of all meetings of the District Board shall be the District Office, 817 Colorado Ave., Suite 104B, Glenwood Springs, Colorado, and the Clerk and Recorder's Office bulletin board for legal notices located on the second floor of the Garfield County Courthouse, 109 8<sup>th</sup> St., Glenwood Springs, Colorado. The custodian of records and minutes shall be as described in Article III herein.

## **ARTICLE XI. DISSOLUTION**

Section 1. The District shall have perpetual existence unless and until dissolved by the Directors following a notice and opportunity to be heard and as set forth in § 30-20-1304(5) C.R.S., as amended by SB 12-31.

## **ARTICLE XII. SEVERABILITY**

If any section, subsection, sentence, clause, or phrase of this Resolution is for any reason held by a court of competent jurisdiction to be invalid, such a decision shall not affect the validity of the remaining portions of this Resolution.

## **ARTICLE XIII. AMENDMENTS**

This Resolution may be amended by simple majority vote of the Directors provided all amendments are consistent with the Act, as may from time to time be amended. All proposed amendments shall first be presented in writing at a Regular Meeting of the District Board. A vote on amendments so proposed shall be taken no sooner than the next Regular Meeting following the meeting at which the amendments were proposed.

Adopted: July 18, 2012