

*Approved at the 11/30/2018 meeting*  
**BOARD OF TRUSTEES OF THE COLORADO SCHOOL OF MINES**  
**MINUTES OF THE SPECIAL BOARD MEETING**  
Thursday, October 18, 2018  
**COLORADO SCHOOL OF MINES**  
**Telephonic at 1500 Illinois Street**

## **I. Regular Meeting – Telephonic**

2:30 a.m. Meeting called to order by Chairman Jorden.

Trustees present: Chairman Jorden, Trustees Haddon, McNeil, Truly, Starzer, Salazar, Sanders and Swift.

Mines executives and directors present: President Johnson, Interim Provost Boyd, EVP Volpi, and VPGC Walker with VP Han joining via telephone.

### **a. Presentation and Discussion**

USGS-Mines Cooperative Agreement review Ms. Volpi provided a summary of the USGS-Mines Cooperative Agreement, noting that the agreement is structured as a standard federal research award agreement. The move of USGS Minerals Division to the Mines campus will be done in two phases: the first phase will involve five USGS employees moving to Mines next week; and the second phase will happen in approximately three years when the remainder of the USGS Minerals Division will occupy a new building that will be constructed by Mines. Ms. Volpi provided a review of the project description and scope. The agreement is a five-year agreement starting November 1, 2018, and ending September 30, 2023. The agreement will be amended or replaced with a new one once the building is built and the remainder of the USGS Minerals Division moves to Mines campus. Ms. Volpi provided an overview of the facilities that USGS will occupy, approximately two thirds of the 155,000 gross square foot building. She noted there will be 155 scientists, technicians, and support personnel on site. Ms. Volpi reviewed the funding and award periods, noting approval was achieved at the Department of Interior (DOI). USGS has received internal approval for rents to be paid to Mines for the short-term move, and further details will be developed once the new building is constructed. Ms. Volpi then provided information on the project objectives and deliverables.

Trustee Haddon recapped the Finance and Audit Committee discussions regarding this initiative. He confirmed the support of the Committee and emphasized that the relationship between USGS and Mines is important for Mines. It was noted that on Monday, October 22, there will be a proclamation signing with Secretary of the Interior Zinke reflecting DOI's commitment to the importance of the expanded partnership with Mines. There was discussion regarding the financing plan for the building and its potential impact on Mines debt capacity. Discussions continued regarding rent payments, cost of the building, debt servicing, market and interest rates, funding and program income, and potential licensing and royalties. Ms. Volpi discussed examples of other universities that have similar agreements.

Ms. Volpi provided an update on the project cost and funding plan and reviewed debt service for each of three possible scenarios. Ms. Walker noted that this is not a typical lease agreement arrangement from Mines perspective; however, both parties have some flexibility given the way the cooperative agreement is structured. There was discussion regarding worst-case scenarios.

President Johnson shared his vision for the USGS partnership, noting this initiative is part of the University's overall Frontier's Initiative, focusing on the subsurface.

