

RECORD OF PROCEEDINGS

Golden, Colorado
January 26, 2007

The Board of Trustees met in regular session on January 26, 2007 in the Coors Board Room.

Present: Trustees Coors, Craig (via teleconference), DeFilippo, Hutson, Nyikos, Tschatschula, Wagner and Student Trustee Chichester.

Also in attendance: President Scoggins, Executive Vice President Middleton, Vice Presidents Chevront, Han, Poate and Volpi and other staff members and visitors.

Trustee Nyikos presided.

Executive Session. At 9:20 a.m., Trustee Hutson made a motion, seconded by Trustee Wagner, to go into Executive Session to discuss a legal issue and a personnel issue, as authorized by §24-6-402 (3)(a)(II), C.R.S. (2006) and §24-6-402 (3)(b)(I), C.R.S. (2006). Motion carried.

Regular Session. The Trustees re-convened in regular session at 9:45 a.m.

Approval of Minutes. Trustee Tschatschula made a motion, seconded by Trustee Wagner, that the minutes of the December 14, 2006 regular session be approved as submitted. Motion carried.

Chairman's Report. Trustee Nyikos reported that Colorado School of Mines will participate in the Energy Forum & Expo in Grand Junction on February 23, 2007. President Scoggins will be a featured speaker at the event and the Mines Admissions office will host a booth.

Board Committee Reports. Trustee Hutson reported that the Finance and Audit Committee met on January 16 and 24, 2007. He remarked that the Committee was pleased with the audit and congratulated the staff who were involved. The Committee also reviewed the tuition proposals and the status of the Banner project. Trustee DeFilippo inquired as to the availability of the audit. Trustee Hutson indicated that it will be released once it is finalized.

Trustee Tschatschula reported that the Presidential Evaluation and Compensation Committee met on January 23, 2007. The Committee has researched presidential and executive compensation at other universities and has noted a disparity between Colorado School of Mines and peer private institutions. The Committee is also proposing a revision to its charter, which will be considered as an emergency action item.

President's Report. President Scoggins remarked that the December commencement ceremony went well and that Dr. Shirley Jackson was a wonderful speaker. Following the commencement luncheon, Dr. Jackson visited a number of labs and programs on campus.

President Scoggins reported that he had visited the Yucca Mountain project in December, along with John Poate, Tibor Rozgonyi, and Levent Ozdemir. President Scoggins commented on his participation in several valuable meetings with representatives of Bechtel and the Department of Energy while there.

President Scoggins reported that the School had been approached about a partnership opportunity in Afghanistan. At this point, the School will not be pursuing this opportunity since there are already developing initiatives in the Mideast and Southeast Asia.

President Scoggins provided an update on the status of the honorees for the May 2007 commencement ceremony. Mr. Dan Ritchie has agreed to be the commencement speaker, and invitations have been extended to Mr. Steve Bechtel and Mr. Wayne Murdy to receive honorary degrees. Mr. Don Warner and Mr. Tim Marquez will receive Distinguished Achievement Medals and an invitation has been extended to Mr. Harry "Red" Conger for a Distinguished Achievement Medal. President Scoggins also remarked that he is considering changing some of the social events associated with commencement.

President Scoggins reported that he had hosted a Diversity Breakfast on January 17 for campus leaders. Mr. Tim Marquez and Mr. Michael Bennet, Superintendent of Denver Public Schools, spoke about the Denver Scholarship Foundation.

President Scoggins reported that he had recently announced several administrative realignments and that additional realignments may be forthcoming.

President Scoggins reported that the School's state lobbyist, Mr. Jim Cole, arranged for him to meet with several members of the new administration and the legislature.

President Scoggins reported that Mr. David Skaggs, the new Executive Director of the Department of Higher Education, came to the campus to meet with him.

President Scoggins reported that he did not renew the School's contract with Policy Communications, Inc. and that he will be considering other Washington lobbying firms.

President Scoggins asked Vice President Chevront to report on the status of the Recreation Center construction project. Dr. Chevront reported that, although the January 19 target date was missed, they are working hard to complete the building. The entire floor in the competition gym had to be replaced due to water damage. The construction firm will be held responsible for any overages. The timing of the grand opening is still undetermined. Staff will meet following completion of the project to debrief and see what lessons can be learned.

President Scoggins asked Executive Vice President Middleton to report on the Petroleum Institute. Dr. Middleton reported that a group of Mines faculty will be visiting the Petroleum Institute in February. Dr. Middleton, President Scoggins and Dr. Barbara Olds will visit the Petroleum Institute in early March.

At this point, Trustee Hutson departed the meeting.

Research Activities Report. Vice President Poate provided an overview of research highlights for the month of December. He pointed to the continued growth of industry awards and commented that some private industry awards put restrictions on publication which can be an issue for graduate students. Dr. Poate highlighted several recent awards dealing with alternative energy. Dr. Poate also provided an update on the DUSEL project and the Renewable Energy Collaboratory.

President Scoggins remarked that work is continuing on the biosciences white paper and he hopes to be able to introduce it for the March Board meeting.

Financial Report. Ms. Volpi reviewed the *Statement of Net Assets, Statement of Revenue and Expenses* (in the All Funds Operating Budget format) and a *Statement of Cash Flows* for the period ending December 31, 2006. She noted that the variances from December 31, 2005 are primarily due to the conversion of the School's sponsored research award billing system. In regard to the change in capital assets, Ms. Volpi noted that the increase from the prior year reflects the construction on campus, particularly the CTLM addition and the Student Recreation Center. Ms. Volpi also reported that tuition revenue looks strong and should be at the amount budgeted. Room and board revenue are exceeding the budgeted amount. Ms. Volpi reported that expenses are tracking close to expectation.

Approval of Faculty Handbook Change. Executive Vice President Middleton presented a proposed change to Section 5.2 of the Faculty Handbook to correct a technical error. Trustee Wagner made a motion, seconded by Trustee Coors, that the following resolution be approved:

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the following Faculty Handbook change:

Section 5.2 corrects a misrepresentation of fact that non-remuneration faculty are covered by worker's compensation (they are only covered by liability insurance)

Motion carried.

Approval of FY08 Tuition Plans. Associate Vice President Montez reported that each February 15th the School is required to submit its plan for the upcoming year's proposed tuition increases to the Colorado Commission on Higher Education and the General Assembly's Joint Budget Committee and House and Senate Education Committees. For FY08 the School plans to implement the fourth year of the five-year tuition restructuring plan, which will ultimately result in increasing the full-time enrollment status for resident undergraduate students to 15 credit hours by the FY09 academic year. For the FY08 year, the full-time enrollment status for resident undergraduate students will increase from 13 to 14 credit hours. The School also intends to request a 3.5% per credit hour rate increase to help cover inflationary and mandated cost increases expected in FY08. President Scoggins remarked that the combination of these two strategies will result in a revenue increase of approximately 7% (or twice the estimated CPI increase). Student Trustee Chichester commented that the slowdown in the rate of tuition increases will be appreciated by the students, and inquired as to whether it would be feasible to incorporate the surcharge fee imposed last year into tuition. Trustee DeFilippo commented that Mines is still a bargain and

that he is concerned about generating sufficient revenue to address the issue of faculty retention and recruitment.

Trustee DeFilippo made a motion, seconded by Trustee Wagner, to approve the following resolution:

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines hereby approves:

A. Continuing with Year-4 of the five-year tuition restructuring plan for resident UG students, by increasing the full-time tuition status for resident undergraduate students from 13 to 14 credit hours;

B. Increasing the per credit hour tuition rates by 3.5 percent in order to help cover the inflationary and mandated cost increases expected in FY 2007-08; and

C. Directing staff to communicate this Board Resolution to the appropriate legislative and executive branch entities, as required by the School's performance agreement.

Trustee Tschatschula proposed an amendment to section B of the resolution, to enable an increase in the per credit hour tuition rate by up to two times the rate of inflation, instead of specifying 3.5 percent. President Scoggins indicated that he believed the original proposal was a prudent one. Trustee Wagner remarked that the original proposal has the recommendation of the Board's Finance and Audit Committee. Trustee Tschatschula withdrew his amendment and the Trustees voted on the original motion. Motion carried.

Student Trustee Chichester commented on the resurrection of a state-wide association of student governments which will represent the interests of the state's college students at the legislature. He indicated that the Associated Students of Colorado School of Mines (ASCSM) plans to invite members of the state legislature to campus in the spring.

Appointment of Treasurer and CFO. Trustee Wagner made a motion, seconded by Trustee Craig, to approve the following resolution:

BE IT RESOLVED that the Colorado School of Mines Board of Trustees hereby appoint Ms. Kirsten Volpi as Treasurer of the Colorado School of Mines Board of Trustees, and as Chief Financial Officer of Colorado School of Mines, effective this date.

Motion carried. The Trustees expressed their congratulations to Ms. Volpi on her appointment.

Authorization Request to Use Reserve Funds. President Scoggins reported that the School has certain near term cash needs which are part of important initiatives to foster the School's research enterprise: a fiber optic connection project and the purchase of a high performance computing cluster. A total of \$2M is needed for both projects. President Scoggins recommended using funds from the Petroleum Institute account to make these

purchases, rather than use the funds from the sale of the Colorado Supernet since the Supernet funds are invested at a higher rate of return. Trustee Coors made a motion, seconded by Trustee Wagner, to approve the use of up to \$2M for these projects from the Petroleum Institute account. Motion carried.

Presidential Evaluation and Compensation Committee. Trustee Tschatschula introduced a revised charter for the Presidential Evaluation and Compensation Committee. Trustee Tschatschula made a motion, seconded by Trustee DeFilippo, that the revised charter be approved as submitted. Motion carried.

Mining Visiting Committee Report. Executive Vice President Middleton introduced the Report of the Visiting Committee for the Mining Engineering department, along with a draft response. Trustee Nyikos indicated that he would like to see a stronger response to item five. Dr. Middleton will re-draft the response for consideration at the March meeting.

President Scoggins commented on the visiting committee concept. He indicated that he would like to see more diversity on the membership of the committees, and he would like to encourage visiting committees to see themselves as advisory to the School, rather than function like an Executive Committee of the department. The Trustees indicated that they were open to considering changes in how the Visiting Committees are structured and their relationship to the Board of Trustees.

Placement Report. Mr. Ron Brummett introduced the Assistant Director of the Career Center, Ms. Linda Sherman, and distributed copies of the most recent Placement Report. Mr. Brummett indicated that this is an excellent time to be graduating, with placement rates between 98% - 100% for all degree levels, and outstanding salary offers. He reported that the Fall Career Day was the largest in the School's history. He also reported that the Career Center is working with the Arthur Lakes Library to help students research companies.

Regular Written Reports. There were no questions on the regular written reports.

Trustee DeFilippo made a motion, seconded by Trustee Tschatschula, to adjourn the meeting. Meeting adjourned at 11:40 a.m.



Secretary

Colorado School of Mines
RECORD OF PROCEEDINGS
Finance and Audit Committee Meeting

The Board of Trustee's Finance and Audit Committee convened via phone on January 24, 2007 at 2:00pm.

Present via phone: Trustees Hutson, Craig and Wagner.

Also attending the meeting were: President Scoggins and Vice President Volpi and guests Vice President Poate, Mr. Wilson, Dr. Romig III and Dr. Lusk.

Trustee Hutson presided.

Review of January 16, 2007 meeting minutes

The minutes were reviewed and will be submitted for approval at the committee's next meeting.

Internal Audit

Ms. Volpi reported that a search for a Director Internal Audit will begin. Internal Auditor Marilyn North will continue her work part time supporting the Internal Audit Director.

Status of "released" financial statements

It was noted that the audit has not been released yet by the Legislative Audit Committee due to timing constraints of the State Auditor's office. The State Auditor's office plans to bring the audit for release to the next LAC meeting in early February.

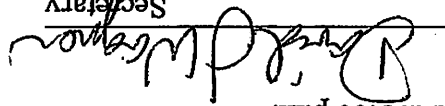
BOT resolution – Treasurer and Chief Financial Officer

The committee reviewed the resolution naming Ms. Volpi as Treasurer of the Board of Trustees and Chief Financial Officer of the School. The resolution will be voted on at the upcoming Board of Trustees meeting.

Use of funds for research initiatives

The committee reviewed a proposal to utilize Petroleum Institute funds to support the fiber optic connection project and the high performance computing cluster; an anticipated commitment of the School up to \$2,000,000. The President noted that at the Board's January 2006 meeting, the Board endorsed the concept of using Supernet proceeds to fund the fiber optic connection project. Given that the Supernet proceeds are invested with the CSM Foundation and are yielding a higher rate of return, the President proposed to utilize Petroleum Institute funds which are yielding a lower rate of return for both projects. The President also proposed the transfer of up to \$2,000,000 from the Supernet proceeds endowment into a CSM designated endowment, both endowments are unrestricted.

There being no further business, the meeting was adjourned at 3:00 p.m.


Secretary

Colorado School of Mines
RECORD OF PROCEEDINGS
Finance and Audit Committee Meeting

The Board of Trustee's Finance and Audit Committee met on March 1, 2007 at 9:00am.

Present: Trustees Hutson and Wagner.

Also attending the meeting were: Vice President Volpi and guests Dennis Yockey of BKD, LLC and Lou Skull of the Office of the State Auditor.

Trustee Hutson presided.

Approval of January 16, 2007 and January 24, 2007 meeting minutes

The minutes for both meetings were approved as submitted.

Audit

Mr. Yockey provided a summary of the audited financial statements for the year ending June 30, 2006. He discussed the management letter comments and noted that none rose to the level of reportable condition or material weakness. Mr. Skull commented that the Office of the State Auditor is pleased with the positive direction taken at the School which resulted in an improved audit.

Mr. Yockey reported on the new auditing standard that is effective for fiscal year 2007 which lowers the threshold for when audit firms are required to report risk. This new standard could have a significant impact on the governmental and not for profit industries. Staff is reviewing the standard to determine the impact on the School and will develop a plan to mitigate any perceived risks. Mr. Yockey also commented that this new standard will require more work on the part of the audit firm which may cause an increase in fees by 10% - 15%.

State Budget and Legislative Update

Ms. Volpi commented on the academic year 2007 – 2008 Tuition Proposal that was submitted to CCHE, JBC and the House and Senate Education Committees mid February. The Tuition Proposal continues the full time credit hour step change and proposes a 3.5% per credit hour rate increase.

January 31, 2007 Financial Statements

The period ended January 2007 with 2006 comparative financial statements were reviewed. Ms. Volpi highlighted that the increase in cash and cash equivalents was primarily due to cash provided by tuition, contracts and grants, and capital appropriations. It was also noted that the decrease in short term investments along with the increase in capital assets was primarily due to the construction of the student recreation center.

The All Funds Budget format of the statement of revenue and expenses was reviewed. Ms. Volpi commented that a forecast had been developed as of the end of January to approximate where revenue and expenses are anticipated to be by the end of this fiscal year. Tuition and fees continues to reflect a slight increase over what was originally budgeted due to an increase in non resident tuition for both undergraduate and graduate students and the forecast was increased slightly due to a positive variance in undergraduate non-resident tuition. Auxiliary revenue such as housing, dining and facility rentals is higher than budget which is reflected in the forecast. Expenses appear to be tracking close to what was budgeted, except financial aid is projected to be slightly higher than budget due to the increase in tuition which is reflected in the forecast. Operating expenses for operations and maintenance is lower through January than expected primarily due to a positive variance in utilities. The debt payment for the General Research Lab building will not be made until the fourth fiscal quarter. Auxiliary actual expenses for the categories of labor and operating are not consistent with the budget for those respective categories. In total, however, actual auxiliary expenses are tracking close to the budget. It was noted that the budget was a proxy for prior year expenses and that the future budget for auxiliary will be realigned and will represent actual projections.

Capital Development Committee

Staff reported that the Capital Development Committee has not made any final decisions on the capital funding priorities yet for fiscal year 2008. It was noted that the current priority list looks favorable for the funding of the Hall of Justice demolition and associated classroom renovations.

Student Capital Fee

It was reported that Ms. Volpi, Vice President Chevront, and Associate Vice President Montez met with two members of the ASCSM executive council to discuss a possible change to the School's Institutional Plan related to the approval of fees and a possible capital fee for the construction of an academic building. The proposed change to the Institutional Plan allows the ASCSM student council or the student body to vote on any change or addition to student fees. The existing Plan requires the student body as a whole to vote on any change in fee structure. The ASCSM student council will vote on the proposed change to the Institutional Plan at their March 22nd meeting. Additionally, the ASCSM student council will vote on a proposed capital fee at the end of April.

Property at 19th and 6th

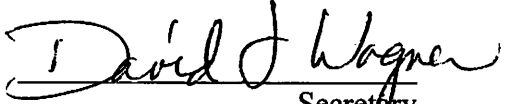
Staff reported that the School was notified in mid February that the 1.66 acres of land which includes an apartment building at the southeast corner of 19th and 6th was for sale. Given that this property is adjacent to the School and is included as an area of interest on the School's Master Plan, the School is very interested in purchasing the property. Trustees Hutson and Wagner asked that an appraisal be done on the property and for the School to work with the CSM Foundation to assist in the purchase of this property. Ms. Volpi will attend the March 8th CSM Foundation board meeting to request CSM Foundation support in the purchase of this property.

CSM Foundation

Ms. Volpi reported that the School is working with the CSM Foundation to develop a Memorandum of Understanding (MOU) between the School and the CSM Foundation. The intent of the MOU is to outline the operating guidelines between the two entities.

Ms. Volpi reported that the School is working with the CSM Foundation in ensuring that the CSM Foundation budget is consistent with the budget processes of the School.

There being no further business, the meeting was adjourned at 11:00 a.m.


Secretary

Colorado School of Mines
RECORD OF PROCEEDINGS
Finance and Audit Committee Meeting

The Board of Trustee's Finance and Audit Committee met on March 8, 2007 at 11:15am.

Present: Trustees Hutson and Wagner.

Also attending the meeting were: Trustee Nyikos, Trustee Tschatschula, President Scoggins, Vice President Volpi and guests CSM Foundation Board member Wood and Hartson, and Stephanie Chichester of Morgan Stanley.

Trustee Hutson presided.


Discussion of Refinancing Opportunities

Ms Volpi commented that the School currently holds \$70 million in debt: \$60 million in fixed rate debt and \$10 million in variable rate bonds. Given the favorable interest rate environment, the School has been reviewing with its financial advisor, Morgan Stanley, refinancing opportunities to either lessen debt service or to provide flexibility in new money for an existing need of the School.

Ms. Chichester reviewed several options for refinancing the School's existing debt. She noted that the most advantageous refinance would include approximately \$34 million of the School's existing fixed rate debt which correlates to individual coupon savings greater than three percent present value savings. The refinancing options outlined included a fixed rate mode which is projected to yield a 7.78% present value savings totaling \$2.6 million, and a synthetic fixed rate mode which is projected to yield 8.8% present value savings totaling \$3.1 million. Although the synthetic fixed rate debt represents a higher savings, it carries with it additional risk. After discussion, Trustees Hutson and Wagner noted that the increased savings with the synthetic fixed rate debt did not equate to the additional risk. Additionally, Ms. Chichester reviewed the opportunity to refinance the variable rate debt which in all scenarios represented a cost, not savings. The least costly option is to refinance into another variable rate mode. The advantage to refinancing would be to release the CSM Foundation from the guaranty which they currently hold on the debt.

Trustees Hutson and Wagner recommended that the Committee request of the Board of Trustees, approval to proceed with refinancing the fixed rate debt as outlined into a fixed rate mode and the ability to refinance the variable rate debt after further diligence and review is done on that option.

There being no further business, the meeting was adjourned at 1:00 p.m.


Secretary

Colorado School of Mines
RECORD OF PROCEEDINGS
Finance and Audit Committee Meeting

The Board of Trustee's Finance and Audit Committee met on January 16, 2007 at 11:30am.

Present: Trustees Hutson and Wagner. Trustee Craig via phone

Also attending the meeting were: President Scoggins and Associate Vice Presidents Montez and Volpi.

Trustee Hutson presided.

Approval of December 11, 2006 meeting minutes

The minutes were approved as submitted.

State Budget and Legislative Update

Mr. Montez provided a brief update on the changes in the new Governor Ritter administration.

Staff reviewed the academic year 2007 – 2008 Tuition Proposal that continues the full time credit hour step change and proposes a 3.5% per credit hour rate increase. This proposal will go before the full board at its next meeting and then will be submitted to CCHE, JBC and the House and Senate Education Committees.

December 31, 2006 Financial Statements

The period ended December 2006 with 2005 comparative financial statements were reviewed. Ms. Volpi highlighted that there are noted variances between the 2006 and 2005 financial statements in large part due to the conversion of the school's grants billing system in January 2006. This conversion delay billing in December 2005 which is reflected in lower cash and a higher receivable balance. It was also noted that the decrease in short term investments along with the increase in capital assets was primarily due to the construction of the student recreation center. Other receivables in the current year included a receivable for amounts due from the CSM Foundation and funds owed by private sponsors.

The All Funds Budget format of the statement of revenue and expenses was reviewed. Tuition and fees continues to reflect a slight increase over what was originally budgeted due to an increase in non resident tuition for both undergraduate and graduate students. Spring semester has been substantially billed, however, approximately one half of the freshman students did not register until January, thus the tuition and fee revenue for December is not at 100% of budget. Expenses appear to be tracking close to what was

budgeted, however it was noted that financial aid for the spring semester was not posted until January.

Internal Audit

Internal Auditor North provided a status update on her most recent audit of discretionary funds. She noted that the audit was spread among all of the departments and included interviews with the respective department heads.

Staff provided an update on the risk inventory which was performed by Ms. North in May of 2006. Staff commented that management is actively working with the risk inventory and are assessing ways to enhance processes and procedures that were identified in the risk assessment process.

External Audit

It was noted that the audit is soon to be finalized. The draft management letter comments and single audit findings were reviewed. The committee agreed that the contract audit firm should attend an upcoming committee meeting to review the audit with the committee.

Staff commented that a new auditing standard may be effective which will lower the threshold for when audit firms are required to report risk. This new standard could have a significant impact on the governmental and not for profit industries. Staff is reviewing the standard to determine the impact on the School and will develop a plan to mitigate any perceived risks.

Capital Development Committee

Staff reported that President Scoggins presented the School's capital requests to the Capital Development Committee in early January. The committee approved the spending authority for two cash funded projects; the Berthoud Hall renovation and the Marquez Hall building.

Status of debt refinancing opportunities

It was reported that Morgan Stanley has been awarded the contract to serve as the School's Financial Advisor and the selection of Underwriter is forthcoming.

Banner Update

Staff reported that positive advancements to the Banner system continue. A financial report which will be used by campus is in the final stages of development.

There being no further business, the meeting was adjourned at 1:00 p.m.


Secretary

RECORD OF PROCEEDINGS

Golden, Colorado

March 9, 2007

The Board of Trustees met in regular session on March 9, 2007 in the Coors Board Room.

Present: Trustees Craig (via teleconference), DeFilippo, Hutson, Nyikos, Tschatschula, Wagner and Student Trustee Chichester. Absent: Trustee Coors

Also in attendance: President Scoggins, Executive Vice President Middleton, Vice Presidents Chevront, Han, and Volpi and other staff members and visitors.

Trustee Nyikos presided.

Approval of Minutes. Trustee DeFilippo made a motion, seconded by Trustee Hutson, that the minutes of the January 26, 2007 regular session be approved as submitted. Motion carried.

Chairman's Report. Trustee Nyikos reported on Mines' participation in the second annual Energy Forum & Expo in Grand Junction on February 23, 2007. President Scoggins was a featured speaker at the event. Trustee Nyikos remarked on a successful alumni reception held in Grand Junction the night before the Energy Forum & Expo, and congratulated the Alumni Association and Institutional Advancement staff who organized the event. Trustee Nyikos also commented that he was in Denver recently in conjunction with the Grand Junction Chamber of Commerce and had occasion to meet with Governor Ritter, who was very complimentary in his comments about the School.

Board Committee Reports. Trustee Hutson reported that the Finance and Audit Committee met on March 1 to review the latest audit, and remarked that the State Auditor's office is pleased with the report. The Committee also met on March 8 and reviewed options to refinance some existing debt; a Resolution related to this refinancing will be presented as part of the Financial Report later in the meeting. The Committee also discussed the upcoming closure of the Golden Ford dealership on 19th Street and the potential associated opportunities for the School.

President's Report. President Scoggins reported that he spoke at a meeting of the American Association of Drilling Engineers (AADE) on March 8; the meeting was a joint session of the Mines' student chapter and the professional association.

President Scoggins commented on Dr. Craig Van Kirk's recent announcement that he would be stepping down as the Head of the Department of Petroleum Engineering. President Scoggins thanked Dr. Van Kirk for his many years of outstanding service to the Department and the School; Trustee Nyikos expressed the sincere appreciation of the Board of Trustees.

President Scoggins announced that Governor Bill Ritter will be on the campus on March 20 for a tour and an open forum with the campus community.

President Scoggins remarked that there would be an event on March 19 to announce the establishment of Colorado Center for Biorefining and Biofuels (C2B2) and to recognize the corporate sponsors.

President Scoggins reported that a signing ceremony was held at the State Capitol on February 21 for the Colorado Renewable Energy Collaboratory.

President Scoggins reported that he will be a speaker, along with other Collaboratory representatives, at the Colorado New Energy Summit being organized by Senator Salazar's office for March 24.

President Scoggins reported on Mines' participation in the CERA Week events in Houston; he also reported that Dr. Daniel Yergin has committed to be the speaker at the May 2008 commencement ceremony.

President Scoggins reported on a March 1 event held on campus to recognize Noble Energy Corporation's donation to the Marquez Hall project.

President Scoggins announced that he had asked Dr. Heidi Loshbaugh, via a part-time appointment, to coordinate Mines' diversity initiatives.

President Scoggins remarked that the Board of Trustees Retreat will not be held in June and will be deferred to a later date.

President Scoggins asked Dr. Tom McKinnon to give a report from the Faculty Senate, since Senate President Brajendra Mishra was unable to attend the meeting. Dr. McKinnon reported on the Senate's review of the Reorganization Task Force proposals and the proposed nuclear engineering program.

Research Activities Report. In Vice President Poate's absence, Dr. Phil Romig provided an overview of research highlights for the months of January and February. He reviewed several recent awards, including a grant received by Dr. Jeff Squiers from the United States Air Force.

Financial Report. Ms. Volpi reviewed the *Statement of Net Assets, Statement of Revenue and Expenses* (in the All Funds Operating Budget format) and a *Statement of Cash Flows* for the period ending January 31, 2007. She reported that cash and cash equivalents are up due to increased cash flow provided by an increase in tuition and fees, grants and contracts, and capital appropriations from the State.

Ms. Volpi reported on the work that had been done to investigate the possibility of re-financing some existing debt. Trustee Wagner made a motion, seconded by Trustee Hutson, that the following Resolution be approved:

BE IT RESOLVED that the Colorado School of Mines Board of Trustees hereby authorizes the Finance and Audit committee to approve the refunding of a portion of the School's fixed rate debt to a new fixed rate debt mode. The portion to be refunded shall yield an individual issue present value savings of 3% or higher which should approximate \$34,000,000 of debt to be refunded. The refunding may also include the refunding of the Colorado School of Mines Development Corporation variable rate debt to a new variable rate debt mode in the approximate amount of \$10,000,000.

Motion carried.

Ms. Volpi also reported on the Ellickson Property at 19th Street and 6th Avenue. The property is owned by a family trust. Trustees Hutson and DeFilippo remarked on the importance of capturing these opportunities to purchase land in areas where the School may wish to expand. Ms. Volpi also reported that the Foundation Board approved financial support for the acquisition of this property and the Ford property, if needed.

Ms. Volpi gave an update on the Banner project. She indicated that implementation of some aspects has been deferred while staff focuses on core functionality and reporting.

Ms. Volpi provided an update on budget planning. She reported that she, Vice President Chevront, and Associate Vice President Montez met with the Associated Students of Colorado School of Mines to discuss the possibility of implementing a student fee for capital construction.

In terms of construction projects, the Center for Technology and Learning Media (CTLM) addition is on target; it is anticipated that there will be a dedication ceremony in mid-May. The Recreation Center project continues to move forward, with some aspects nearing completion but others still lagging. At this point, there is no firm date for completion.

Mining Visiting Committee Response. Executive Vice President Middleton presented a revised draft response based on the input he received at the January board meeting. Trustee DeFilippo remarked that the Edgar Mine is a valuable but under-performing asset. Dr. Middleton reported that the Department is developing several opportunities that could result in the Mine becoming self-sufficient within two years after some initial investment of resources. Trustee DeFilippo made a motion, seconded by Trustee Hutson, that the following Resolution be approved:

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the letter response to the Report of the Visiting Committee for the Department of Mining Engineering.

Motion carried.

Sabbatical Requests. Executive Vice President Middleton introduced the sabbatical requests for the 2007-08 academic year and recommended approval of the following requests:

John Dorgan	CE	Fall 2007
Rod Eggert	EB	Academic Year 2008
Joel Bach	EG	Spring 2008

Panos Kiousis	EG	Academic Year 2008
Jorg Drewes	ESE	Spring 2008
Junko Munakata Marr	ESE	Academic Year 2008
John Curtis	GE	Fall 2007
Paul Santi	GE	Spring 2008
Yaoguo Li	GP	Fall 2007
Roel Snieder	GP	Academic Year 2008
John Heilbrunn	LAIS	Academic Year 2008
Graeme Fairweather	MCS	Spring 2008
Willy Hereman	MCS	Academic Year 2008
Masami Nakagawa	MN	Fall 2007
Ugur Ozbay	MN	Academic Year 2008
Reuben Collins	PH	Academic Year 2008
Chip Durfee	PH	Spring 2008
Jim McNeil	PH	Fall 2007

Trustee DeFilippo requested clarification on Dr. Bach's request and remarked that the planned sabbatical does not seem central to the School's mission. Dr. Middleton remarked on the success of the BELS program and Trustee Craig indicated she would like to see the enrollment numbers for this program. The Trustees indicated they would like to see a three year sabbatical plan at the department level.

Trustee Hutson made a motion, seconded by Trustee DeFilippo, that the following Resolution be approved:

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the sabbatical requests for Academic Year 2007-2008.

Motion carried.

Emeritus Recommendation. Executive Vice President Middleton presented a recommendation to grant emeritus status to Dr. Don Macalady, Professor of Chemistry and Geochemistry. Dr. Macalady will retire on May 31, 2007. Trustee DeFilippo made a motion, seconded by Trustee Wagner, to approve the following Resolution:

*BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the following for Emeritus status effective on his retirement date:
Don Macalady – Emeritus Professor of Chemistry & Geochemistry*

Motion carried. The Trustees expressed their appreciation to Dr. Macalady for his many years of service to the School.

The Trustees also expressed their congratulations to Mr. Robert Applegate, president of the Colorado School of Mines Graduate Students Association, who was recently appointed as the student representative to the Colorado Commission on Higher Education Advisory Committee.

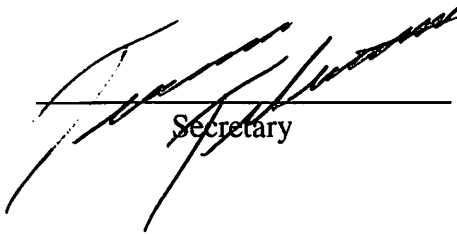
ABET Draft Report and Response. Executive Vice President Middleton shared a copy of the School's response to the draft statement from the Accreditation Board for Engineering and Technology received in early February.

Retention Report. Executive Vice President Middleton introduced the Registrar, Ms. Lara Medley, who presented the *2006 Graduation and Persistence Report*.

Spring Registrar's Report. Executive Vice President Middleton introduced the Registrar, Ms. Lara Medley, who presented the *Spring 2007 Registrar's Report*.

Regular Written Reports. There were no questions on the regular written reports.

Trustee DeFilippo made a motion, seconded by Trustee Wagner, to adjourn the meeting. Meeting adjourned at 11:30 a.m.


Secretary

RECORD OF PROCEEDINGS

Golden, Colorado
April 27, 2007

The Board of Trustees met in regular session on April 27, 2007 in the McNeil Hospitality Room in the Student Recreation Center

Present: Trustees Craig, DeFilippo, Hutson, Nyikos, Tschatschula, Wagner and Student Trustee Chichester. Absent: Trustee Coors

Also in attendance: President Scoggins, Executive Vice President Middleton, Vice Presidents Chevront, Han, Poate and Volpi and other staff members and visitors.

Trustee Nyikos presided.

Introductions. President Scoggins introduced Ms. April Nelson who will serve as the new Student Trustee beginning July 1, 2007. Vice President Volpi introduced the new Controller, Ms. Jinous Lari. Ms. Anita Pariseau introduced two new members of the Alumni Association staff, Mr. Nick Sutcliffe and Ms. Liz Garcia. President Scoggins introduced Associate Counsel Esther Henry who attended the meeting on behalf of General Counsel Anne Walker. The Trustees joined President Scoggins in expressing their concern and best wishes for the recovery of Ms. Walker's parents from a serious automobile accident.

Approval of Minutes. Trustee Craig made a motion, seconded by Trustee Wagner, that the minutes of the March 9, 2007 regular session be approved as submitted. Motion carried.

Chairman's Report. Trustee Nyikos thanked Vice President Chevront for hosting this meeting at the new Student Recreation Center.

Board Committee Reports. Trustee Hutson reported that the Finance and Audit Committee met on April 20 to discuss the audit and bond refinancing.

President's Report. President Scoggins reported on his trip to Arizona the week of March 12.

President Scoggins remarked on the success of the E-Days Celebration and congratulated those involved.

President Scoggins reported on Governor Ritter's visit to the campus on March 20, including a well-attended Campus Forum with the Governor.

President Scoggins reported on his presentation at the March 24 New Energy Summit organized by Senator Salazar's office.

President Scoggins reported that a brief remembrance ceremony was held on Kafadar Commons on April 19 for the victims of the Virginia Tech tragedy.

President Scoggins reported on the very successful and well-attended Evening in the Park event held for the NCAA on April 19 to highlight the School's close relationship with the town of Golden.

President Scoggins reported on the various events held April 19 and 20 as part of Climate Action Days.

President Scoggins reported that the Colorado Energy Coalition, which he co-chairs, will shortly have an op-ed piece in the *Denver Post* recommending the development of a balanced energy policy.

President Scoggins reported on the plans for the May 11 commencement ceremony.

President Scoggins reported that the review of proposals for a federal lobbying contract will begin today.

President Scoggins reported that the White House Fellows will be visiting the Mines campus in July.

Student Trustee Chichester reported that the students had hosted several state legislators on campus on April 24. Student Trustee Chichester also reported that the students approved instituting an academic construction fee to finance general classrooms and laboratories. President Scoggins, Vice President Chevront, the Trustees and other members of the administration commended the student leadership, including Student Trustee Chichester, for their efforts in passing this fee, which will help address an important need.

Trustee Craig suggested that the Colorado Energy Coalition review a report being developed by the National Petroleum Council which might be very valuable.

Vice President Poate and Graduate Dean Boyd commented on the success of the 2nd annual Graduate Research Fair.

Vice President Poate also reported on a Research Retreat held with the administration, the department heads/division directors, and select faculty. Plans to form a Research Management Council to help set research directions and determine how indirect cost recovery is distributed were discussed at the Retreat.

In light of the Virginia Tech tragedy, Vice President Chevront gave an update on security issues on campus. He also indicated that a committee has been appointed to update and streamline the campus emergency management plan; Mr. Warren Spaulding will chair the committee. President Scoggins remarked that the School will do full-scale emergency drills as part of this process.

President Scoggins also reported that the campus has reviewed its relationship with student lenders to assure that there are no conflicts of interest.

Research Activities Report. Vice President Poate provided an overview of research highlights for the end of February and all of March, and profiled three of the larger grants. Vice President Poate also gave an update on the Renewable Energy Collaboratory and possible research collaborations with the Petroleum Institute.

Financial Report. Ms. Volpi reviewed the *Statement of Net Assets, Statement of Revenue and Expenses* (in the All Funds Operating Budget format) and a *Statement of Cash Flows* for the period ending March 31, 2007. She reported that cash and cash equivalents are still up due to increased cash flow provided by an increase in tuition and fees, grants and contracts, and capital appropriations from the State. She commented that expenses in Plant Facilities are down due to a reduction in utility costs.

Election of Foundation Board members. Trustee Hutson made a motion, seconded by Trustee Craig, to reappoint Trustees Tschatschula and Wagner to the CSM Foundation Board for two year terms, ending June 30, 2009. Motion carried.

Approval of Institutional Plan for Student Fees. Associate Vice President Montez presented an overview of the School's plan for student fees and other charges. Trustee Wagner made a motion, seconded by Trustee Hutson, that the following resolution be approved:

BE IT RESOLVED, that the Board of Trustees of the Colorado School of Mines hereby approves the revised Institutional Plan for Student Fees and Other Charges as presented on April 27, 2007.

Motion carried.

Approval of Graduation Lists. Executive Vice President Middleton remarked that he was proud to submit the names of the candidates for degrees to be awarded at the May 11, 2007 commencement ceremony, in conjunction with Faculty Senate President Mishra and Dean Boyd. These graduation lists were previously approved by the Faculty Senate. Trustee DeFilippo made a motion, seconded by Trustee Craig, to approve the following resolution:

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the award of degrees to the candidates named in the attached graduation lists for May 2007.

Motion carried.

Proposed Faculty Handbook Revisions. Executive Vice President Middleton presented the revisions to the Faculty Handbook that are being proposed by the Faculty Handbook Committee. This agenda item is being presented at the April meeting as an information item and will be on the agenda for the June meeting as an action item. Dr. Middleton commented that the Committee had spent a great deal of time on the conflict of interest policy.

Biochemical Engineering Degree Proposal. Executive Vice President Middleton introduced a proposal developed by the Department of Chemical Engineering for an undergraduate degree program leading to a Bachelor of Science in Chemical and Biochemical Engineering. The Undergraduate Council and the Faculty Senate both reviewed the proposal and recommended its approval. Dr. Middleton indicated that with the Board's concurrence, the next step is to forward the proposal to the Colorado Department of Higher Education for a role and mission compliance

review. Dr. Middleton remarked that this proposed degree program is consistent with ABET's new requirements for bioscience in chemical engineering programs; he further commented that it is important for areas such as bioprocessing and biofuels. There is also significant student interest in such a degree. The Trustees expressed their concern that the degree program stay focused so that it remains consistent with the School's role and mission. President Scoggins expressed his support for the program and indicated that it is completely in line with the School's role and mission and that such a program is needed by the industries Mines has traditionally served. Trustee Nyikos indicated that Trustee Coors had sent a strong statement of support for this degree proposal. Trustee DeFilippo expressed concerns that this degree program might divert already limited resources from other areas and that it could weaken the core curriculum. Dr. Middleton indicated that the School's limited infrastructure is an important issue, but that this degree proposal should not have a large impact. President Scoggins remarked that the School must continue moving forward while simultaneously addressing the infrastructure needs. Dr. Middleton also remarked that the core curriculum already enables occasional substitution of courses.

Trustee Nyikos called for a vote as to whether the degree proposal should be advanced to the Department of Higher Education. Trustees Coors, Craig, Hutson, Tschatschula and Wagner voted in favor and Trustee DeFilippo voted against.

Nuclear Engineering Graduate Program Proposal. Executive Vice President Middleton introduced a proposal to establish a graduate program in Nuclear Science and Engineering. The program will focus on stewardship of nuclear materials and seeks to take advantage of many of the School's current offerings in the field. If approved, the program would deliver Masters and PhD degrees with the degree title of Nuclear Engineering. The Graduate Council, Research Council and Faculty Senate have all favorably reviewed the proposal. Dr. Middleton indicated that, with the Board's concurrence, the next step is to forward the proposal to the Colorado Department of Higher Education for a role and mission compliance review. The Trustees indicated their approval to advance the proposal to the Department of Higher Education.

At this point, Trustee Tschatschula departed the meeting.

Name Change for Graduate Degrees in Engineering. Executive Vice President Middleton indicated that the Division of Engineering currently offers M.S. and Ph.D. degrees with the title "Engineering Systems". The Division proposes truncating the degree name to "Engineering", in alignment with the title of the undergraduate degree from that unit. The four specialty tracks of civil, electrical, mechanical and engineering systems will appear on the transcript but not in the degree title. The Board concurred that this proposed name change can be sent to the Colorado Department of Higher Education.

History of Biosciences at CSM. Executive Vice President Middleton presented a paper on the history of biosciences and bioengineering at Mines, in response to questions that arose at the March Board meeting. The Trustees thanked Dr. Middleton and indicated that the document was very helpful. Trustee DeFilippo remarked that there are some areas listed in the report that he does not feel belong at the School. Trustee Hutson remarked that the Board needs to trust the administration to stay focused on the School's role and mission.

FY08 Budget. Vice President Volpi reported on several changes in the budget process that occurred following the June 2006 Board of Trustees Retreat. Ms. Volpi also presented a preliminary overview of the outlook for the FY08 budget.

Alumni Association Report. Ms. Anita Pariseau provided an update on the work of the Alumni Association, and introduced several new staff members. She reiterated that the role of the Alumni Association is to promote the Colorado School of Mines by fostering connections with alumni. Ms. Pariseau remarked that the Alumni Association has an important role in implementing the School's strategic plan; Ms. Pariseau and her staff outlined the many programs offered by the Alumni Association. Ms. Pariseau thanked the Office of Institutional Advancement, the School, and the Foundation for their support of the Alumni Association.

CSM Foundation Report. Ms. Linda Landrum, Executive Director of the CSM Foundation, presented an update on the Foundation. Based on a recent NACUBO survey, Mines ranks 15th out of 248 public institutions in terms of endowment assets per FTE student. Ms. Landrum recognized Vice President Han and the staff of the Office of Institutional Advancement for their fundraising success. Trustee Wagner commended the Foundation staff for their work. Trustee Wagner also indicated that the Foundation Board hopes to have a Retreat so the Foundation can be positioned to take the endowment up to the \$500M level.

Faculty Senate Report. Faculty Senate President Brajendra Mishra presented an overview of the work of the Senate during AY06/07. Dr. Mishra announced that Dr. Dennis Readey has been selected as the Faculty Senate Distinguished Lecturer for 2008.

Regular Written Reports. There were no questions on the regular written reports.

Trustee DeFilippo made a motion, seconded by Trustee Wagner, to go into Executive Session at 12:15 p.m. to discuss a legal issue, as authorized by §24-6-402 (3)(a)(II), C.R.S. (2006), and promotion and tenure recommendations, as authorized by §24-6-402 (3)(b)(I), C.R.S. (2006). Motion carried.

The Board re-convened in regular session at 1:05 p.m. Trustee DeFilippo made a motion, seconded by Trustee Hutson, to approve the following promotion and tenure recommendations:

- Bettina Voelker (Chemistry and Geochemistry) – recommend Tenure
- Tonya Lefton (Liberal Arts and International Studies) – recommend promotion to Senior Lecturer
- Laura Guy (Library) – recommend promotion to Librarian
- Tracy Camp (Mathematical and Computer Sciences) – recommend promotion to Professor

Motion carried.


Secretary

Colorado School of Mines
RECORD OF PROCEEDINGS
Finance and Audit Committee Meeting

The Board of Trustee's Finance and Audit Committee met on April 20, 2007 at 12:00pm.

Present: Trustees Hutson and Wagner and Trustee Craig via phone

Also attending the meeting were: President Scoggins and Vice President Volpi

Trustee Hutson presided.

Approval of March 1, 2007 and March 8, 2007 meeting minutes

The minutes for the March 1, 2007 minutes were approved as revised. The minutes for the March 8, 2007 were approved as submitted.

Audit

Ms. Volpi provided a brief update on the status of current internal audits. The report of the audit on discretionary funds has been drafted and will be finalized in early May. The bond compliance audit is nearing completion and will be finalized in May. Internal Auditor North has begun the audit on campus facilities management.

Ms. Volpi reported that the search was underway for a Director of Internal Audit and that the search committee will begin interviews in early May.

The external audit is scheduled to begin in the next few months. An audit entrance conference is scheduled for the week of April 23rd which will set forth the timing of the audit and the general plan.

Ms. Volpi commented that the State Controller and State Auditor visited Mines to convey the importance of Mines (as well as all state agencies) complying with the new auditing standard which sets an earlier date for the completion of the audit. The school is planning on meeting the deadlines which includes working with the CSM Foundation as their financial statements are a component of the school's overall financial statements.

State Budget and Legislative Update

The long bill tuition footnote was revised which removes the limit of tuition increase on non-resident tuition. The school is modeling the financial implications as well as the attraction and retention implications of an increase in non resident tuition higher than the originally proposed 3.5% per credit hour rate increase.

The school is watching the level of capital funding available for higher education. The funding of the Hall of Justice demolition and classroom improvement project is dependent upon a proposed transfer into the capital fund from other state sources.

March 31, 2007 Financial Statements

The period ended March 2007 with 2006 comparative financial statements were reviewed. Ms. Volpi highlighted that the increase in cash and cash equivalents was primarily due to cash provided by tuition, contracts and grants, and capital appropriations. It was also noted that the decrease in short term investments along with the increase in capital assets was primarily due to the construction of the student recreation center.

The All Funds Budget format of the statement of revenue and expenses was reviewed. Ms. Volpi commented that a forecast had been developed as of the end of March to approximate where revenue and expenses are anticipated to be by the end of this fiscal year. Tuition and fees continue to reflect a slight increase over what was originally budgeted due to an increase in non resident tuition for both undergraduate and graduate students and the forecast was increased slightly due to yielding an even more positive variance in undergraduate non-resident tuition. Auxiliary revenue such as housing, dining and facility rentals is higher than budget which is reflected in the forecast. Expenses appear to be tracking close to what was budgeted, except financial aid is projected to be slightly higher than budget due to the increase in tuition which is reflected in the forecast. Operating expenses for operations and maintenance is lower through March than expected primarily due to a positive variance in utilities which is reflected as a reduction in the forecast. The debt payment for the General Research Lab building will not be made until the fourth fiscal quarter at which time it will reflect as an actual expense.

Status of Fiscal Year 2008 Budget

Ms. Volpi commented on the process changes that were incorporated in the fiscal year 2008 budget process: budget was built on a "bottom-up" basis with each department submitting their respective requests and projections, the President's Executive Committee will serve as the President's forum for budget discussions, and the school anticipates performing a detailed zero base budget for many of the departments beginning in fiscal year 2008.

Initial fiscal year 2008 general fund revenue projections include a \$1.5 million increase in the school's fee for service contract and an additional \$3.8 million in additional tuition spending authority. Initial general fund expense projections includes a \$500,000 mandatory salary increase for the classified staff, \$2 million of proposed salary increases for faculty at 5%, and new faculty hires in the range of \$2.5 to \$6.5 million. Additionally, the school is incorporating in the 2008 budget the removal of the reliance on Petroleum Institute funds to support the general fund. Auxiliary revenues and expenses are anticipated to increase primarily due to the activity surrounding the new recreation center. The initial projection for sponsored research revenue has a slight increase over current year and the projection on spending from Foundation funds is expected to increase proportionate to the market increase in the endowed funds.

Student Capital Fee

President Scoggins, Executive Vice President Middleton and Vice President Chevront presented to the ASCSM student government on April 19th a proposed capital fee which would be assessed on all students with the proceeds going to fund an academic building. The ASCSM student council will vote on this proposed capital fee on April 26th.

Property at 19th and 6th

It was reported that the School remains interested in acquiring the property at the southeast corner of 19th and 6th. The school will continue to pursue the acquisition of this property and the adjacent property recently vacated by Stevinson Ford.

Bond Financing

Ms. Volpi reported that the School is in the final stages of the search for the bond and disclosure counsel which would be part of the "team" to refinance existing debt or finance new debt for the school. As part of the refinance process, Moody's recently affirmed the school's A1 rating. It is anticipated that the refinance would occur in May which may include locking a rate for a new issue. The school is working with the CSM Foundation in determining whether the variable rate debt will be part of the refinancing.

There being no further business, the meeting was adjourned at 1:00 p.m.


Secretary

Colorado School of Mines
RECORD OF PROCEEDINGS
Finance and Audit Committee Meeting

The Board of Trustee's Finance and Audit Committee met on May 30, 2007 at 12:00pm.

Present: Trustees Hutson and Wagner

Also attending the meeting was: President Scoggins, Vice President Volpi, Internal Auditor North and guests Stephanie Chichester and Fred Marienthal.

Trustee Hutson presided.

Approval of meeting minutes

The minutes for the April 20, 2007 minutes were approved as submitted.

Bond refinancing status and rate lock for refinancing and new money

Stephanie Chichester, the School's Financial Advisor from Morgan Stanley and Fred Marienthal, the School's bond and disclosure counsel from KutakRock provided the committee an update and next steps on the bond refinancing project. It was reported that the interest rates have moved slightly upward from our last update in March, however, the rates at their current level are the lowest that the market has seen in over 40 years and this refinancing would be the School's lowest cost financing. Even with the increasing rates, the present value savings is still strong at 4.83% which represents \$1,641,614 in net present value savings for certain refundable auxiliary bonds. The President commented that the savings will be used to fund the School's immediate capital priorities.

Management continues to assess the options to also refund the Development Corporation variable rate debt and if deemed prudent, may be included in the refinancing of the auxiliary fixed rate debt.

The refinancing "team"; the School, Morgan Stanley and KutakRock, are drafting the bond documents which are anticipated to be done within the month of June. Given the timing of the completion of the refinancing and the potential volatility in rates, an interest rate lock is proposed that would effectively lock the interest rate at today's level for the upcoming refinancing. The proposed lock would be a fixed rate lock for a period not to exceed three months and would be at a rate to effectively yield at least four percent in net present value savings.

It was also noted that it is likely that the School would issue debt for new capital projects within the next year. The new capital projects might be a new academic building funded from the capital fee, new housing and dining facilities and possibly a new parking garage. Because the interest rates are at a historic low point, it was discussed that it may be prudent for the School to enter into an interest rate lock for the new money. The proposed lock would be a swap rate lock for a period not to exceed twelve months. A swap rate lock provides the School significant flexibility as the start date of the swap and

the principal covered by the lock can be flexible. In addition, the Board has the option to terminate the swap on the sale date of the new money bonds.

Audit

Ms. North provided an update on the status of current internal audits. The report of the audit on discretionary funds had been finalized and was discussed. The audit revealed certain gaps in the School's operational guidelines and opportunities for improvements but nothing came to the auditor's attention that would indicate fraud. It was commented that management will resolve the gaps in operational guidelines and look for opportunities to improve by the end of this fiscal year. The report of the audit on bond compliance had been finalized and was discussed. The audit outlined general parameters of compliance requirements which are monitored and addressed by management. The committee requested of Ms. North to revisit the previous Mining Department audit and ensure that the findings were satisfactorily resolved.

Ms. North commented that she has begun her audit of facility management on campus. This audit will assess the business practices, procedures and operating standards of how the School's facilities are managed.

Ms. North reported that the search for a Director of Internal Audit had led to a final candidate who just recently removed himself from the search process. Ms. North will contact her Internal Audit colleagues to assess potential interested candidates and the search process will begin again.

Ms. Volpi commented that the external audit has begun. The auditors are performing procedures for the interim audit and will return for fieldwork the first week in August.

State Budget and Legislative Update

Ms. Volpi reported that the long bill does include capital funding of \$2.8 million for the Hall of Justice demolition and classroom improvement project. The funding however is contingent upon the State's financial position and the School may not receive any funding until December.

April 30, 2007 Financial Statements

The period ended April 2007 with 2006 comparative financial statements were reviewed. Ms. Volpi highlighted that the increase in cash and cash equivalents was primarily due to cash provided by tuition, contracts and grants, and capital appropriations. It was also noted that the decrease in short term investments along with the increase in capital assets was primarily due to the construction of the student recreation center. Federal and state grants receivable reflects a decrease from April 2006 primarily due to the more efficient and effective mode of billing and collecting from sponsors due to the recent conversion to Banner.

The All Funds Budget format of the statement of revenue and expenses was reviewed. Ms. Volpi reported that the All Funds Budget format was revised in April to segregate funds that are designated for non-operating purposes; these funds primarily represent

faculty start up, indirect cost returned to centers, the Banner implementation and the USGS lease income. These activities are represented in the "Designated Fund" column of the report.

Ms. Volpi commented that the forecast had been slightly revised as of the end of April to approximate where revenue and expenses are anticipated to be by the end of this fiscal year. Tuition and fees continue to reflect a slight increase over what was originally budgeted due to an increase in non resident tuition for both undergraduate and graduate students and the forecast was increased slightly due to yielding an even more positive variance in undergraduate non-resident tuition. Expenses are tracking close to what was budgeted, except institutional support and operations and maintenance forecasts are below budget. Operating expenses for operations and maintenance is lower through March than expected primarily due to a positive variance in utilities which is reflected as a reduction in the forecast. The debt payment for the General Research Lab building will not be made until the fourth fiscal quarter at which time it will reflect as an actual expense.

Academic Year 2007-2008 Tuition and Fees

The proposed academic year 2007-2008 tuition and fee schedule was reviewed. The resident and non resident undergraduate tuition proposed increases are in line with the Department of Higher Education's expectations and the long bill. The resident and non resident graduate tuition are proposed to continue to keep pace with undergraduate tuition.

The new fees proposed for the upcoming academic year include the intermodal transportation fee, the academic construction building fee, a physics lab fee and a biology lab fee. All other mandatory fees were reviewed.

Status of Fiscal Year 2008 Budget

Ms. Volpi reviewed the fiscal year 2008 proposed budget. This budget proposes a balanced budget without the use of Petroleum Institute funds.

Net current unrestricted revenues are projected to increase \$7.4 million. The increase consists of \$1.5 million increase in the school's fee for service contract and COF, an additional \$5.2 million in additional tuition spending authority, \$375,000 increase in indirect cost recovery, \$745,000 in additional housing and student service revenue, and \$757,000 increased revenue relating to the capital and parking fee.

Current unrestricted expenses (prior to prioritized requests) are projected to increase \$5.8 million. Core increases proposed represent 4.44% salary increases for faculty and staff, new faculty hires and their associated start up packages, an increase of \$945,000 in auxiliary operations associated with housing, the recreation center and student services, and reserving \$882,000 for capital projects from the use of fees. The projection for sponsored research revenue has a slight increase over current year and the projection on spending from Foundation funds is expected to increase proportionate to the market increase in the endowed funds. It was noted that the proposed budget reflects the

anticipated change in the Petroleum Institute contract whereby funds are received annually to support research endeavors.

Net current unrestricted activity is currently projected to be \$1.1 million surplus, however, this surplus is prior to any new requests from the academic and administrative areas. Management has preliminarily prioritized certain requests up to \$1.1 million, however, there are certain variables which are yet to be resolved. Those variables include new faculty hires, the Petroleum Institute contract re-negotiation, and undergraduate and graduate financial aid from the state. Once these items are resolved, the School will reprioritize requests ensuring a balanced budget.

The committee reviewed the CSM Foundation unrestricted budget which will be brought to the School's Board on June 7th for approval and the CSM Foundation Board on June 14th for approval.

Five Year Capital Plan

Ms. Volpi presented the proposed five year capital plan which is required to be submitted to the Department of Higher Education in July. The School will be requesting that the State provide financial support for a portion of the proposed Brown Hall addition. The remaining funds yet to be appropriated for the classroom renovations request due to the Hall of Justice demolition is proposed to be the School's second priority for State funding. It was noted that the project costs for Marquez Hall were reduced to be more in line with the fundraising goal. Over a five year period, the School's proposed plan calls for funding from the State in the amount of \$158,750,000 and self funded projects totaling \$119,711,848. The committee requested that the proposed five year plan incorporate the source of funding for the self funded projects.

There being no further business, the meeting was adjourned at 2:00 p.m.


Secretary

Colorado School of Mines Board of Trustees



Resolution

A RESOLUTION AUTHORIZING THE BOARD OF TRUSTEES OF THE COLORADO SCHOOL OF MINES TO ISSUE BONDS IN ONE OR MORE SERIES TO REFUND, PAY AND DISCHARGE ALL OR A PORTION OF CERTAIN OF THE BOARD'S OUTSTANDING COLORADO SCHOOL OF MINES, AUXILIARY FACILITIES ENTERPRISE REVENUE BONDS AND OUTSTANDING BONDS OF THE COLORADO SCHOOL OF MINES DEVELOPMENT CORPORATION AND TO FINANCE THE COSTS OF ACQUIRING, CONSTRUCTING, IMPROVING AND EQUIPPING CERTAIN CAMPUS IMPROVEMENTS FOR THE SCHOOL OF MINES; TO ENTER INTO ONE OR MORE INTEREST RATE HEDGE AGREEMENTS IN ANTICIPATION OF THE ISSUANCE OF SUCH BONDS AND AUTHORIZING, APPROVING AND DIRECTING THE EXECUTION AND DELIVERY OF FORWARD BOND PURCHASE AGREEMENTS AND CERTAIN OTHER DOCUMENTS AND INSTRUMENTS IN CONNECTION THEREWITH IN SATISFACTION OF PART 1 OF ARTICLE 59.3 OF TITLE 11, COLORADO REVISED STATUTES, AS AMENDED; RATIFYING AND AUTHORIZING THE ESTABLISHMENT OF A METHOD FOR THE BOARD OF TRUSTEES TO MAKE DECLARATIONS OF OFFICIAL INTENT IN ORDER TO PERMIT THE COLORADO SCHOOL OF MINES TO REIMBURSE ITSELF FOR CAPITAL EXPENDITURES WITH PROCEEDS OF FUTURE BORROWINGS IN ACCORDANCE WITH THE TREASURY DEPARTMENT'S REIMBURSEMENT REGULATIONS; APPROVING AND CONFIRMING ACTION HERETOFORE TAKEN; AND PROVIDING OTHER MATTERS IN CONNECTION THEREWITH.

WHEREAS, the Board of Trustees of the Colorado School of Mines, a body corporate (the "Board"), is empowered by virtue of its organization under the constitution and laws of the State of Colorado (the "State"), particularly Section 5 of Article VIII of the constitution of the State and Title 23, Article 41, Colorado Revised Statutes, as amended, to have general control and management of the

Colorado School of Mines, at Golden, Jefferson County, Colorado (the "School of Mines"), and to do all things incidental thereto, including the general supervision of the School of Mines and the exclusive control and direction of all funds thereof and appropriations thereto unless otherwise provided by law; and

WHEREAS, in order to refund, pay and discharge all or a portion of certain of the Board's outstanding Colorado School of Mines, Auxiliary Facilities Enterprise Revenue Bonds and certain outstanding bonds of the Colorado School of Mines Development Corporation (collectively the "Refunding Project"), finance the costs of acquiring, constructing, improving and equipping certain campus improvements for the School of Mines (the "New Money Project") and pay certain costs of issuance associated therewith, the Board proposes to issue future bonds in one or more series; and

WHEREAS, by reason of the need to effect economies by reducing interest payable in future years for the financing of the Refunding Project and the New Money Project, and due to upward trending fluctuations in municipal bond interest rates coupled with currently favorable interest rates, and due to the need to finally act upon the Refunding Project and the New Money Project to be financed by the future issuance of bonds in an expeditious manner, the Board proposes to enter into one or more interest rate hedge agreements with Morgan Stanley Capital Services Inc. ("Morgan Stanley"), each at a rate to be mutually agreed upon by the President and the Vice President for Finance and Administration of the School of Mines, subject to consultation and a favorable recommendation by BD Advisors LLC, in its capacity as pricing agent to the Board in connection with such interest rate hedge agreements; and

WHEREAS, in order to satisfy the provisions of Part 1 of Article 59.3 of Title 11, Colorado Revised Statutes, as amended, the Board proposes to enter into and deliver one or more forward bond purchase agreements and certain other certificates in connection with the execution of such interest rate hedge agreements in anticipation of the future issuance of bonds by the School of Mines for the Refunding Project and the New Money Project; and

WHEREAS, the Internal Revenue Service has issued Treasury Regulation Section 1.150.2, the final regulations with respect to the use of proceeds of tax-exempt bonds for reimbursement purposes (the "Reimbursement Regulations"); and

WHEREAS, in order to comply with the Reimbursement Regulations, the Board finds it to be advantageous to establish a method whereby the School of Mines can be reimbursed for capital expenditures with proceeds of future borrowings;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE COLORADO SCHOOL OF MINES, IN A LAWFUL MEETING ASSEMBLED THAT:

Section 1. The Board does hereby authorize the future issuance of bonds in one or more series in order to finance the Refunding Project, the New Money Project and to pay certain costs of issuance associated therewith.

Section 2. The Board hereby declares that the net present value savings realized by the Refunding Project shall be not less than 4%.

Section 3. Due to upward trending fluctuations in municipal bond interest rates coupled with currently favorable interest rates, and due to the need to finally act upon the Refunding Project and the New Money Project to be financed by the future issuance of bonds in an expeditious manner, the Board hereby authorizes the execution and delivery by the Board of an ISDA Master Agreement, including the Schedule and any Credit Support Annex thereto, one or more Confirmations relating to such interest rate hedge agreements and all other attachments and related documents (collectively, the “ISDA Agreement”) to be entered into with Morgan Stanley.

Section 4. The Board hereby approves the following parameters for any interest rate hedge agreements entered into by the Board: (A) with respect to the interest rate hedge agreement applicable to bonds to be issued for the Refunding Project; (i) the rate shall not exceed 5.5%; (ii) the rate lock period shall not exceed three months from the date of execution of such interest rate hedge agreement; and (iii) the notional amount shall not exceed \$40,000,000 and (B) with respect to the interest rate hedge agreement applicable to bonds to be issued for the New Money Project; (i) the rate shall not exceed 5.5%; (ii) the forward period shall not exceed twelve months from the date of execution of such interest rate hedge agreement; and (iii) the notional amount shall not exceed \$80,000,000 (the New Money Project elements include the Brown Academic Building, the CTLM addition and various other campus and auxiliary facilities system improvements).

Section 5. In connection with the execution and delivery of such interest rate hedge agreements, the Board hereby authorizes the execution and delivery of any other reasonably required documents, including one or more forward bond purchase agreements and certain other certificates; all in a form that satisfies the provisions of Part 1 of Article 59.3 of Title 11, Colorado Revised Statutes, as amended and the Internal Revenue Code of 1986, as amended.

Section 6. The President and the Vice President for Finance and Administration of the School of Mines, subject to consultation and approval by BD Advisors LLC, as pricing agent, is each hereby authorized to negotiate, execute and deliver the ISDA Agreement relating to the interest rate hedge agreements, subject to the parameters set forth herein, and approve, execute and deliver such other reasonably required documents in connection therewith, including one or more forward bond purchase agreements and certain other certificates on behalf of the Board.

Section 7. B.D. Advisors LLC is hereby appointed as pricing agent in connection with the execution and delivery of any interest rate hedge agreements by the Board and shall consult with the President and the Vice President for Finance and Administration thereon. B.D. Advisors LLC shall make a recommendation to the Board regarding the efficacy of the interest rate hedge agreements.

Section 8. The Board designates and directs the Vice President for Finance and Administration to act on behalf of the Board in declaring the Board's official intent from time to time to reimburse capital expenditures of the School of Mines with proceeds of future taxable or tax-exempt borrowings. The declaration of official intent shall: (a) state that the School of Mines reasonably expects to reimburse itself for the capital expenditure from proceeds of a future taxable or tax-exempt borrowing within 18 months of the date of the expenditure of money on the capital expenditure or on the date upon which the project, if any, containing the capital expenditure is placed in service or abandoned, whichever is later (but in no event more than 3 years after the date of the original expenditure of such money); (b) not be made later than 60 days after the date of the payment of the capital expenditure; (c) contain a general functional description of the property to which the reimbursement relates; and (d) indicate the maximum principal amount of debt expected to be issued for such reimbursement. Each such declaration of official intent shall be noted prior to or within 60 days of the expenditure of any money on such capital expenditure (or such later time as may be permitted by the Reimbursement Regulations) with the Vice President for Finance and Administration, who is hereby authorized and directed to maintain a record of all declarations of official intent, the capital expenditures to be covered by such declaration and the allocations of borrowing proceeds to reimbursement for such capital expenditures. The Vice President for Finance and Administration of the School of Mines, in consultation with the Board's bond counsel, is further authorized and directed to take all necessary and desired actions to implement this procedure for declaration of official intent.

Section 9. All prior acts and doings of the officials, agents and employees of the School of Mines which are in conformity with the purpose and intent of this Resolution shall be and the same hereby are in all respects ratified, approved and confirmed.

Section 10. All other resolutions of the Board, or parts of resolutions, inconsistent with this Resolution are hereby repealed to the extent of such inconsistency.

Section 11. This Resolution shall take effect immediately upon its passage.

ADOPTED AND APPROVED this 7th day of June, 2007.

[SEAL]

COLORADO SCHOOL OF MINES

By Michael S. Nyikos

Michael S. Nyikos

President, Board of Trustees

Attest:

By Terrance Tschatschula

Terrance Tschatschula
Secretary, Board of Trustees

RECORD OF PROCEEDINGS

Golden, Colorado
June 7, 2007

The Board of Trustees met in regular session on June 7, 2007 in the Student Center (at 8:00 a.m.) and the Coors Board Room (at 9:30 a.m.).

Present: Trustees Coors, DeFilippo, Hutson, Nyikos, Tschatschula (via telephone), Wagner and Student Trustee Chichester. Absent: Trustee Craig

Also in attendance: President Scoggins, Executive Vice President Middleton, Vice Presidents Chevront, Poate and Volpi and other staff members and visitors.

Trustee Nyikos presided.

Bond Refinancing Discussion. Trustee Hutson remarked that the Board's Finance and Audit Committee had been considering refinancing some of the School's debt, given that low long-term rates have created a refunding savings opportunity. Ms. Stephanie Chichester from Morgan Stanley and Mr. Fred Marienthal from KutakRock gave a presentation on the refunding opportunities and discussed the advantages and disadvantages of a rate lock.

Approval of Minutes. Trustee Wagner made a motion, seconded by Trustee Hutson, that the minutes of the April 27, 2007 regular session be approved as submitted. Motion carried.

Chairman's Report. Trustee Nyikos reported that he and President Scoggins would be attending the Higher Education Summit in Colorado Springs on June 8 and 9.

Board Committee Reports. Trustee Hutson reported that the Finance and Audit Committee met on May 30, 2007 to discuss and review bond re-financing, tuition and fees, the five-year capital plan, and the financial reports. The internal auditor, Ms. Marilyn North, also presented an update on her work to the Committee.

President's Report. President Scoggins remarked on the success of the Commencement ceremony, Reunion, and the many related events. He reported that he will be contacting the Trustees with recommendations for possible speakers for the December 2007 ceremony.

President Scoggins asked Executive Vice President Middleton and Vice President Poate to provide an update on the Petroleum Institute. The joint research program continues to move forward. Dr. Poate was recently in Abu Dhabi for the Advisory Board meeting, and Dr. Middleton will be at the Petroleum Institute in mid-June for a Board meeting.

President Scoggins asked Vice President Chevront to give an update on the status of the emergency management plan and the Student Recreation Center. Dr. Chevront reported that the committee that was reviewing the campus' emergency management plan provided a report to him yesterday. Dr. Chevront will be meeting with the committee, which was chaired by Mr. Warren

Spaulding, to discuss their recommendations. Regarding the Student Recreation Center, work is still being done to complete the landscaping. Preliminary utilization figures are very strong.

Research Activities Report. Vice President Poate provided an overview of research highlights for the month of April, and profiled four of the larger grants. Dr. Poate commented that research volume is somewhat behind last year due to delays in federal grants. Trustee Coors remarked that the strategic plan calls for growth in research. Dr. Poate indicated that a retreat focused on the research enterprise was held in the spring and that several strategies will be implemented to support the departments/divisions that have been successful in developing research programs and to encourage the research inactive departments/divisions to increase their involvement. Dr. Poate also gave an update on the DUSEL project and commented that NREL's contract will be up for bid. President Scoggins commented that the Collaboratory had approved matching funds for the Colorado Center for Biofuels and Biorefining (C2B2) but that the other solar-related project they were hoping to support was not funded by the Department of Energy.

Financial Report. Ms. Volpi reviewed the *Statement of Net Assets, Statement of Revenue and Expenses* (in the All Funds Operating Budget format) and a *Statement of Cash Flows* for the period ending April 30, 2007.

Five Year Capital Plan. Vice President Volpi presented a Five-Year Capital Construction Plan and the FY08 state capital construction funding request, both of which the School is required to submit to the Colorado Commission on Higher Education (CCHE), for the Board's approval. For FY08 the first three prioritized projects are the Brown Hall Addition, Classroom Improvements due to the Hall of Justice demolition, and another addition to the CTLM building. Ms. Volpi also reported that a program plan for the Marquez Hall Petroleum Engineering Building has been submitted to CCHE for approval. Trustee Coors made a motion, seconded by Trustee Hutson, to approve the following resolution:

*BE IT RESOLVED, that the Board of Trustees of the Colorado School of Mines hereby:
Approves the School's five-year capital construction plan as presented in Table 1 of this agenda item;
Approves the capital construction budget request for 2008, wherein the first priority project is the Brown Hall addition.*

Motion carried.

Bond Refinancing. Vice President Volpi distributed a revised resolution to authorize a refunding project and a rate lock for the refunding and new money. Trustee Hutson made a motion, seconded by Trustee Wagner, to approve the revised Resolution, which is appended to these minutes. Motion carried.

AY08 Tuition and Fee Approval. Vice President Volpi introduced the proposed tuition and fees for AY08. The proposed rates represent a continuation of the Board's strategy to align resident undergraduate tuition with the cost of education; it includes implementation of the fourth year of the five-year plan to increase full-time enrollment status from 10 to 15 credit hours. For FY08, full-time status for resident undergraduates would move from 13 to 14 credit hours. The proposal also includes continuation of the tuition surcharge. Trustee Hutson made a motion, seconded by Trustee Wagner, to approve the following resolution:

BE IT RESOLVED, that the Board of Trustees of the Colorado School of Mines hereby approves the following tuition and fee charges:

- *Per-credit-hour increases of 3.5% for resident undergraduate students and 7.0% for nonresident undergraduate students;*
- *Increasing full-time status for resident undergraduates to 14 credit hours;*
- *Full-time graduate rates set level with full-time undergraduate rates;*
- *Continuation of the tuition surcharge for FY2008; and*
- *Increases in mandatory fees that reflect inflationary increases and student-supported increases.*

Motion carried.

FY08 Budget. Vice President Volpi provided an overview of the proposed FY08 operating budget. The School's Budget Committee, along with the Executive Committee, reviewed a broad spectrum of requests for new and continued spending items and presented their respective recommendations to the President. After the President's consideration, the proposed FY08 budget was prepared for presentation to the board. Highlights of the proposed budget include the elimination of spending from the Petroleum Institute reserve fund; full funding of mandated increases for classified staff salaries, faculty and staff benefits, and institutional financial aid requirements; proposed increases for faculty salary increases in line with classified salary increases; and, inclusion of approximately \$1 million of the School's highest priority funding requests, including new faculty, adjunct faculty, teaching assistants, and targeted new campus support positions.

The Trustees discussed the importance of competitive salaries for faculty and the issue of faculty retention, as well as faculty start-up costs. Trustee Coors inquired as to whether the way the financial aid commitment is calculated should be re-visited. Trustee Coors remarked that the School needs to be sure it is focusing on what is most important and limit the non-essential items.

Trustee Coors made a motion, seconded by Trustee Hutson, that the following resolution be approved:

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines hereby approves the FY2008 All Funds Operating Budget, including:

- *The Colorado School of Mines operating budget; and*
- *The Colorado School of Mines Foundation unrestricted budget.*

The Board further grants the President of the School the ability to implement prioritized new spending requests in order to balance the budget without the use of Petroleum Institute funds.

Motion carried.

Proposed Faculty Handbook Revisions. Executive Vice President Middleton presented the proposed changes to the Faculty Handbook, which were previously introduced at the April 27, 2007 Board meeting. All of the proposed changes were approved by the Faculty Handbook Committee and were submitted for an open period of review by the campus community, through the Faculty Senate. The Trustees made several suggestions. In Section 4.1.5 it was suggested that the word "shall" be changed to "may"; in Section 12 related to the addition of a Sustainability Committee, it was suggested that the bolding be deleted and that consideration be given to adding a definition for the term "sustainability"; in Section 11, it was noted that the title of Board

President should be changed to Chairman; in Section 11, Trustee Wagner suggested that the phrase “preponderance of evidence” should be changed to “clear and convincing evidence.”

Trustee Wagner made a motion, seconded by Trustee Hutson, that the following resolution be approved, with the wording changes suggested above:

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the following Faculty Handbook changes:

- Section 1:** *Adds sentence that “department heads and division directors” are referred to as “department heads” throughout the handbook*
- Section 4:** *Section 4.1.2.D.4: new paragraph added to address research professors, research associate professors, and research assistant professors*
- Section 4.1.5: language added to address method of nomination for emeritus faculty*
- Section 4.8 (former section 6.4): clarifies probationary appointments*
- Section 4.9 (former section 4.8): removes references to contracts, which have been removed from section 11*
- Section 6:** *Section 6.3 and 6.4: new Conflict Disclosure policy added and rest of section renumbered (old Section 6.4 moved to new section 4.8 and old sections 6.5 and 6.6 moved to new section 11)*
- Section 6.1.1: sentence added to address research faculty*
- Section 6.2.3: title changed*
- Section 7:** *Section 7.1: adds language to address research faculty*
- Section 7.3.2: clarifies language regarding Performance Improvement Plans for Non-Tenure Track Faculty*
- Section 8:** *Section 8.2: adds language to address promotion of research faculty*
- Section 9:** *Section 9.2: clarifies language regarding termination of non-tenure-track appointments*
- Section 9.6.1: clarifies language regarding the termination and non-renewal appeal procedure and persons eligible to file an appeal*

Section 10:

Section 10.9: CSM may delay for up to one academic year, the taking of a sabbatical granted to a faculty member, when it determines that such delay is necessary to avoid significant disruption to CSM operations and the delay will advance the excellence of CSM's delivery of services. When CSM requires a delay in taking a sabbatical, the faculty member will be eligible to seek a grant of sabbatical for the seventh year following the year in which CSM granted the prior sabbatical

Section 10.14: adds Vice President for Research and Technology Transfer to the delegation chain

Section 11:

The old version of this section with sample faculty contracts was deleted and will be placed in the Academic Affairs Procedures Manual.

Old sections 6.5 and 6.6 moved here to become a new section 11 "Disciplinary Action and Grievances."

Section 11.3.1 (old section 6.6.1): removes redundant language

Section 12:

New section 12.10 added for new Sustainability Committee

New section 12.11 added for new Academic Assessment Committee

Entire Handbook:

Titles changed throughout to reflect current titles:

- *Vice President for Finance and Operations (VPFO) changed to Vice President for Finance and Administration (VPFA)*
- *Finance & Operations changed to Finance and Administration*
- *Director of Human Resources changed to Associate Vice President for Human Resources*

Motion carried.

Biochemical Engineering Degree Approval. Executive Vice President Middleton reported that following the April 27, 2007 Board meeting, he submitted a proposal to the Colorado Commission on Higher Education (CCHE) for determination of role and mission compliance for a new Bachelor of Science degree in Chemical and Biochemical Engineering. The CCHE responded favorably in a letter dated May 21, 2007. Trustee Coors made a motion, seconded by Trustee Hutson, that the following resolution be approved:

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the addition of the Bachelor of Science degree in Chemical and Biochemical Engineering.

Motion carried, with Trustee DeFilippo dissenting.

Nuclear Engineering Graduate Program Approval Executive Vice President Middleton reported that following the April 27, 2007 Board meeting, he submitted a proposal to the CCHE for determination of role and mission compliance for new graduate degrees in Nuclear Science and Engineering. CCHE responded favorably in a letter dated May 21, 2007. Trustee Hutson made a motion, seconded by Trustee DeFilippo, to approve the following resolution:

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the addition of the following degrees:

Master of Science in Nuclear Engineering

Doctor of Philosophy in Nuclear Engineering

Motion carried.

Naming of the Institute for Educational Innovation. Executive Vice President Middleton and Vice President Han presented a proposal to name the newly established Institute for Educational Innovation in honor of John and Sharon Trefny. The Institute was established to create collaborative opportunities for faculty working in science and engineering education research, curriculum development, and assessment; it is comprised of the Center for Engineering Education, the Office of Innovation in Learning and Teaching, and the Office of Engineering Education Assessment. By integrating these programs, Mines will be uniquely positioned for national leadership in applied science and engineering education. The Institute will have the resources of the Trefny Endowment, established by John and Sharon Trefny during the Transforming Resources campaign, as well as an endowment established by alumni and friends who contributed over \$800,000 in the Trefnys honor at the time of President Trefny's retirement. The Trustees suggested that consideration be given to adding the phrase "science and engineering" to the Institute's name, in order to more clearly specify its purpose. Trustee DeFilippo made a motion, seconded by Trustee Hutson, that the following resolution be approved:

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines in recognition of John and Sharon Trefny's outstanding service to Mines; and in recognition of Dr. Trefny's vision for outstanding applied science and engineering education, hereby establishes the Institute for Educational Innovation at Colorado School of Mines as the John and Sharon Trefny Institute for Educational Innovation.

Motion carried.

At this point, Trustee Tschatschula departed the meeting.

Undergraduate Admissions Report. Vice President Chevront asked Mr. Bill Young, Associate Vice President for Enrollment Management, to present the undergraduate admissions report. Mr. Young distributed the *June 1 Admissions Report for Fall 2007*. Overall, applications were up about 55%, with applications from resident students up about 18% and applications from non-residents up about 87%. Mr. Young attributed some of this increase to an expansion of the direct marketing effort. Mr. Young commented on the high quality of the incoming class, and indicated that the number of committed students is what would be expected to enroll 850 – 900 new students in the fall semester 2007.

Regular Written Reports. There were no questions on the regular written reports.

Trustee Wagner made a motion, seconded by Trustee Hutson, to adjourn the meeting. Motion carried. Meeting adjourned at 11:50 a.m.



Secretary

Colorado School of Mines
RECORD OF PROCEEDINGS
Finance and Audit Committee Meeting

The Board of Trustee's Finance and Audit Committee met on August 15, 2007 at 11:30am.

Present: Trustees Hutson and Wagner

Also attending the meeting was: Vice President Volpi and guests Stephanie Chichester, Jennifer Barrett and Fred Marienthal.

Trustee Hutson presided.

Approval of meeting minutes

The minutes for the May 30, 2007 minutes were approved as submitted.

Bond refinancing status and rate lock for refinancing and new money

Stephanie Chichester, the School's Financial Advisor from Morgan Stanley and Fred Marienthal, the School's bond and disclosure counsel from KutakRock provided the committee an update and next steps on the bond refinancing project and the rate lock. It was reported that on June 7th, the date that the Board of Trustees had approved the resolutions to refinance the bonds and to lock a rate for new money, the interest rates moved upward enough that put the School outside of its present value savings target of 4%. Given that the market had temporarily put the refinancing out of reach, the financing "team"; the School, Morgan Stanley and KutakRock, determined that it was in the best interest of the School to create a new master lien and a new covenant package which would strengthen the credit of the School, thus providing the ability to achieve lower interest and insurance rates. The team worked to create this proposed new lien which required ratings reviews by both Standard and Poor's and Moody's. Both rating agencies affirmed the school's existing ratings "A" and "A1" respectively, with a stable outlook. The rate lock for the new money is proposed to be made under this new lien as well as the refinancing (when the market positions favorably). Additionally, the School secured municipal bond insurance 10 basis points lower than the School's previous bond issue.

Given the volatility in the market and the deterioration of traditional fixed rates, the committee and the financing team discussed alternative refinancing options which included the previous approved fixed rate refinancing and additionally a refinancing of debt that could be split fixed and variable and a LIBOR swap rate. The committee discussed the risks and rewards of each scenario and determined to apply present value savings targets to each scenario along with the priority of executing each scenario should all three scenarios "work" simultaneously:

<i>Type of refinancing</i>	<i>Present Value Savings Target</i>	<i>Priority</i>
Traditional Fixed	4%	1
Split Fixed/Variable	6%	3
LIBOR swap	8%	2

The Board of Trustees will be presented with three resolutions at its next board meeting to approve the following;

- A master resolution to create the new lien and covenant package
- A supplemental resolution for a rate lock for new money under this new lien
- A supplemental resolution for documents for a refunding

Audit

Ms. Volpi reported that the search for a Director of Internal Audit had led to a failed search. Given that the search which included two rounds of candidate reviews failed, it was determined to search for an Internal Auditor not at a Director level that could work with Internal Auditor Marilyn North. Ms. North is in the process of searching for potential candidates.

It was reported that Internal Auditor North was wrapping up the facilities audit and she anticipates drafting a report in the next month.

Ms. Volpi commented that the external audit has begun. The auditors are performing procedures pursuant to the audit which is anticipated to be done August 24th.

June 30, 2007 Financial Statements

The period ended June 2007 all funds operating budget versus actual statements were reviewed.

Ms. Volpi reported that the fiscal year 2007 final results in the All Funds Budget format was balanced. Net revenue equaled net expenses, thus no reserve or deficit carried forward. The year end results did include the budgeted draw from the Petroleum Institute as well as \$120,000 of USGS lease revenue which was used for operations.

Ms. Volpi also reviewed the fiscal year 2008 budget which had been revised slightly following the June Board meeting. The primary changes from the budget reviewed by the Board in June and the final version included an increase in budgeted revenue for indirect cost return, investment income and endowment spending authority to match an increase in prioritized expenses. This budget reflects a balanced budget without the use of Petroleum Institute funds.

Capital

Ms. Volpi provided an update on two possible property acquisitions that the School has been tracking. The property located at the southwest corner of 19th and 6th in Golden was previously under contract with another purchaser. This contract recently fell through and the School has made its interest known to the seller. Additionally, the School remains interested in purchasing the property on 19th street recently vacated by Stevinson Ford and is pursuing avenues to acquire both properties with support from the CSM Foundation.

There being no further business, the meeting was adjourned at 1:30 p.m.


Secretary

RECORD OF PROCEEDINGS

Golden, Colorado
August 24, 2007

The Board of Trustees met in regular session on August 24, 2007 in the Coors Board Room.

Present: Trustees Craig, DeFilippo, Hutson, Nyikos, Tschatschula, Wagner and Student Trustee Nelson. Absent: Trustee Coors

Also in attendance: President Scoggins, Executive Vice President Middleton, Vice Presidents Chevront, Han, Poate and Volpi and other staff members and visitors.

Trustee Nyikos presided.

Oath of Office. Trustee Nyikos administered the Oath of Office to incoming Student Trustee Aprill Nelson. The Trustees expressed their congratulations to Student Trustee Nelson.

Executive Session. Trustee DeFilippo made a motion, seconded by Trustee Tschatschula, to go into Executive Session to receive legal advice as authorized by CRS § 24-6-402 (3) (a) (II). Motion carried.

Regular Session. Following the Executive Session, Trustee Hutson made a motion, seconded by Trustee Tschatschula, to reconvene in regular session at 10:00 a.m.

Approval of Minutes. Trustee DeFilippo made a motion, seconded by Trustee Hutson, that the minutes of the June 7, 2007 regular session be approved as submitted. Motion carried.

Chairman's Report. Trustee Nyikos reported that he had participated in a conference sponsored by the Higher Education Association of the Rockies (HEAR) in Grand Junction on August 2 & 3.

Trustee Nyikos reported on three Mines students from Mauritania who were injured in a car accident on the western slope. One student remains hospitalized but the other two students are recovering well. Trustee Nyikos reported that Ms. Teresa Bloom, a resident of Grand Junction, has provided housing not only for the two injured students but also for the parents of the hospitalized student. The Trustees expressed their appreciation to Ms. Bloom for her compassion and invaluable assistance. Trustee DeFilippo made a motion, seconded by Trustee Craig, to authorize a Board Resolution of thanks to Ms. Bloom. Motion carried.

Trustee Nyikos remarked that a Mines alumnus, Mr. Rob Vincent '81, who works for Williams, has been conducting excellent community energy briefings on the Western Slope.

Trustee Nyikos expressed his sadness on the passing of Emeritus Professor Richard De Voto and expressed his condolences to his family.

Board Committee Reports. Trustee Hutson reported that the Finance and Audit Committee met on August 15, 2007 to discuss and review bond re-financing and the rate lock. The committee also discussed the search for an internal auditor, reviewed the financial statements, and discussed property purchases.

President's Report. President Scoggins expressed his congratulations to Dr. Brajendra Mishra on his re-election as Faculty Senate President.

President Scoggins welcomed Dr. John Moore, who was elected to represent the academic Department Heads/Division Directors.

President Scoggins reported that he and Trustee Nyikos attended the Higher Education Summit in Colorado Springs on June 8 and 9.

President Scoggins asked Executive Vice President Middleton to give a report on a formal notification received from ABET. All eight engineering programs were re-accredited, with the condition that the Geophysics Department submits an interim report next summer on an issue relating to assessment procedures and program outcome documentation. Dr. Middleton remarked that the successful ABET review speaks to the quality of Mines' programs. Trustee Wagner expressed his congratulations to Dr. Middleton on a job well-done. Dr. Middleton remarked on the excellent work of Dr. Tom Boyd and the Department Heads/Division Directors and their faculty and staff in preparing for the visit.

President Scoggins asked Executive Vice President Middleton to give an update on the Petroleum Institute. Dr. Middleton reported that he was at the Petroleum Institute in June for a Board meeting. The joint research activities between Mines and the Petroleum Institute are in the process of being formalized. Dr. Middleton and Vice President Poate will be visiting the Petroleum Institute again soon.

President Scoggins reported that the NCAA recently recognized Mines for the successful Day in the Park event with the Golden community. A video highlighting the event was produced by the NCAA and is being widely disseminated.

President Scoggins reported that the Colorado Energy Research Institute's economic impact study was released in July. It has been well-received and widely-quoted.

President Scoggins reported that he and Mrs. Scoggins visited Calgary in July and participated in an Alumni and Friends Reception; President Scoggins also met with a number of industry leaders and key alumni during the visit.

President Scoggins reported that the White House Fellows visited campus on July 25 while they were on an extended tour of Colorado.

President Scoggins remarked on the successful start of the new academic year. President Scoggins reminded the Trustees that the formal opening of the Student Recreation Center will occur on August 31.

Research Activities Report. Vice President Poate provided an overview of research highlights for the months of May and June. In addition to the grants highlighted in his written report, Dr. Poate provided an overview of several successes at the federal level, including appropriations for the Fuel Cell Center, energy research and mine safety. Dr. Poate indicated that space will be a limiting factor as the School works to increase its research volume, since most research funding does not provide for new construction. Dr. Poate presented a summary of research awards by department and indicated that only half of Mines' departments were research-active. He also presented a summary of awards by sponsor and indicated that the magnitude of industry funding is unique. Dr. Poate also reported on the first meeting of the Research Management Cabinet. Dr. Poate remarked on the excellent faculty presentations at the Faculty Conference on August 20 highlighting the School's energy research portfolio.

Vice President Poate reported that Dr. Bruce Geller has been hired as the new Geology Museum director.

Financial Report. Ms. Volpi reviewed the *Statement of Revenue and Expenses* (in the All Funds Operating Budget format) for the Fiscal Year ending June 30, 2007. Total revenues exceeded the budget by approximately \$3 million. Increased auxiliary revenue was the primary reason for the excess, while tuition and fees accounted for a smaller portion. Total expenses also exceeded the budget by approximately \$3 million. The primary drivers for the overage were increases in auxiliary operations and transfers from the General Fund to other funds, including designated development funds and plant funds. Approximately \$1.2 million in funding that was budgeted from the Petroleum Institute reserve fund was used to balance the budget. Authorized spending from prior year's accumulated budgets (rollover accounts) was approximately \$2 million. The FY08 budget anticipates no spending from the Petroleum Institute reserve account.

Approval of Bond Documents for Refinancing. Vice President Volpi presented a proposal for \$34 million in debt refinancing and also proposed a rate lock for new money to build an academic building. Ms. Volpi introduced Ms. Stephanie Chichester from Morgan Stanley and Mr. Fred Marienthal from KutakRock to provide background information for the Trustees. Ms. Chichester remarked that the market moved right after the June 7, 2007 Board of Trustees meeting and we are no longer at the fixed rate refunding target set at that meeting. Given that time was not of the essence, it was determined that in the best interest of the school, a new master lien is being proposed which strengthens the credit of the school. Additionally, given the negative movement in the market for fixed rate debt, several other debt refinancing models were considered, including a mix of fixed and variable rates and a swap to LIBOR (London Interbank Offered Rate) mode. Mr. Marienthal reviewed a master resolution which is proposed to codify the new master lien for the School. Additionally, two proposed supplemental resolutions were reviewed. The first supplemental resolution authorizes a forward starting swap agreement in order to lock the interest rate for the new debt and a forward delivery bond purchase agreement which authorizes the bond refinancing in either a fixed rate, split variable and fixed or swap mode. Additional supplemental resolutions to the master resolution will be forthcoming when the school issues the debt for the new academic building, which is anticipated in the May to June 2008 timeframe. Additionally, Trustee DeFilippo asked that it be noted that the terms of these resolutions do not drive the School's admissions policy. Trustee Wagner made a motion, seconded by Trustee Hutson, to approve the resolutions presented, pending incorporation of several changes noted by the Trustees as amendments. Motion carried.

Approval of Unlawful Discrimination Policy Resolution. General Counsel Anne Walker reported that during the last legislative term, the Colorado General Assembly adopted legislation expanding the employment discrimination protections afforded by State statute. Senate Bill 07-025 prohibits employers from engaging in discriminatory or unfair employment practices based on “sexual orientation” and “religion”, in addition to prohibiting such practices on the basis of disability, race, creed, color, sex, age, national origin, or ancestry, as already provided in the statute. Ms. Walker indicated that Mines’ current Unlawful Discrimination Policy and Complaint Procedure is not consistent with the newly revised statute because it does not cite “sexual orientation” as a basis of discrimination that is prohibited by the policy. Ms. Walker proposed an amendment to the School’s Unlawful Discrimination Policy and Complaint Procedure to add “sexual orientation” to the list of prohibited bases of discrimination and to substitute the term “compensation” for references to “salary” and “benefits”. Trustee DeFilippo made a motion, seconded by Trustee Hutson, to approve the following Resolution:

WHEREAS, the Colorado General Assembly adopted certain legislation concerning the expansion of employment nondiscrimination protections during its 2007 session (Senate Bill 07-025); and

WHEREAS, Senate Bill 07-025 amends Colorado Revised Statutes § 24-34-402 to prohibit employers from engaging in discriminatory or unfair employment practices based on sexual orientation or religion, as well as prohibiting discriminatory or unfair practices based on disability, race, creed, color, sex, age, national origin, or ancestry; and

WHEREAS, the Board of Trustees wishes to amend its Unlawful Discrimination Policy and Complaint Procedure (originally promulgated by the Board on March 13, 1992, and published as Section 10.6 in the CSM Faculty Handbook) to ensure compliance with State law;

NOW THEREFORE, BE IT HEREBY RESOLVED BY THE MINES BOARD OF TRUSTEES THAT:

The Unlawful Discrimination Policy and Complaint Procedure shall be amended as follows:

II. UNLAWFUL DISCRIMINATION POLICY

*Attendance and employment at CSM are based solely on merit and fairness. Discrimination on the basis of age, gender, race, ethnicity, religion, national origin, disability, **SEXUAL ORIENTATION**, and military veteran status is prohibited. No discrimination in admission, application of academic standards, financial aid, scholastic awards, promotion, ~~salary, benefits~~, **COMPENSATION**, transfers, reductions in force, terminations, re-employment, professional development, or conditions of employment shall be permitted. The remainder of this policy shall contain a complaint procedure outlining a method for reporting alleged violations of this policy and a review mechanism for the impartial determination of the merits of complaints alleging unlawful discrimination.*

Motion carried, with Trustee Wagner absent during the vote.

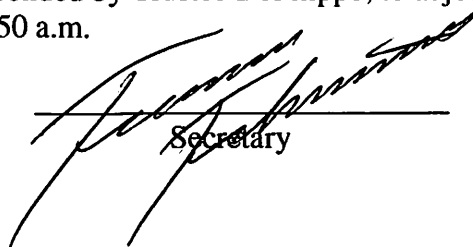
Advisory Board Membership. President Scoggins reported that Dr. Kristina Johnson has resigned from the Advisory Board due to her recent appointment as Provost at Johns Hopkins. President Scoggins indicated that three other Advisory Board members' terms technically expired in March of 2007. President Scoggins recommended that the terms for the following Advisory Board members be extended for an additional three year term, pending their concurrence and approval from the Governor's office: Mr. Bruce Grewcock; Mr. Pat James; and Mr. Ralph Peterson. Trustee Tschatschula made a motion, seconded by Trustee Craig, to approve three year extensions for Mr. Grewcock, Mr. James and Mr. Peterson. Motion carried. President Scoggins asked the Trustees to forward the names of any additional nominees for the Advisory Board to him.

Foundation Update. Trustee Wagner gave an update on the CSM Foundation. The Foundation had some funds in the Sowood Hedge Fund which may result in a loss of approximately \$1.5 million, which would be taken during FY08. The Foundation will be closely monitoring its hedge fund investments. In particular, they will pay attention to liquidity, since lack of liquidity was a significant problem for Sowood. Trustee Wagner remarked that overall, the Foundation is in good shape and will continue with its diversification policy.

Office of Institutional Advancement Report. Vice President Han presented an overview of the Office of Institutional Advancement. In the Major Gifts and Planned Giving unit, he reported on several new initiatives including a regional prospecting program and a new Library Development Director position. This unit is also focusing on marketing a special opportunity to gift directly from Individual Retirement Accounts (IRAs) in 2007. Mr. Han reported that the Annual Giving unit focuses on gifts under \$25,000, and manages all direct mail solicitations and the phone-a-thon ('DiggerDial'). The alumni participation rate increased to 16.9% in 2007, well above the national average of 12.2% for public universities, but below the 29.9% rate for private colleges and universities. Mr. Han commended the recent senior class for its leadership in organizing a senior class gift. In terms of corporate giving, Mr. Han remarked that corporate gifts are increasingly tied to recruiting and that firms want more marketing associated with their scholarships. Overall, Mr. Han reported that last year's totals are down somewhat, which is typical in the year following a major campaign.

Regular Written Reports. Vice President Chevront and Associate Vice President Young briefly reviewed the undergraduate admissions report. Approximately 885 new students (including freshman and transfer students) are on campus. Approximately 33% of the new students are non-residents. Graduate Dean Boyd reported that graduate enrollment is also looking good, with approximately 803 registered students to date; graduate students can continue registering through Sunday so this number is likely to increase. There were no questions on the other regular written reports.

Trustee Hutson made a motion, seconded by Trustee DeFilippo, to adjourn the meeting. Motion carried. Meeting adjourned at 11:50 a.m.


Secretary

Colorado School of Mines
RECORD OF PROCEEDINGS
Finance and Audit Committee Meeting

The Board of Trustee's Finance and Audit Committee met on September 21, 2007 at 11:30am.

Present: Trustees Hutson and Wagner

Also attending the meeting was: President Scoggins (via phone), Vice President Volpi and Internal Auditor North

Trustee Hutson presided.

Approval of meeting minutes

The minutes for the August 15, 2007 minutes were approved as revised.

Audit

Ms. North reported that another Internal Audit staff member has been hired to augment the internal audit process. Kay Spencer will be joining the School in October and will work with Ms. North in a part time capacity.

Ms. North reported that the facilities audit had been completed. Several recommendations were raised to enhance the overall facilities operations which management had agreed to incorporate all of the recommendations. She also reported that she was beginning her audit of the Minority Engineering Program.

Ms. Volpi commented that she will be working with Ms. North to develop an audit plan for 2008. One of the baselines for the plan will be the risk inventory which is currently being updated.

August 31, 2007 Financial Statements

The period ended August 2007 statement of financial position, all funds operating budget versus actual, and statement of cash flows were reviewed.

Ms. Volpi reported that tuition revenue for fall is coming in stronger than budgeted. Although census date is not until September 5th which will mark the true enrollment, nonresident undergraduate and both resident and non resident graduate students are higher than expected. Revenue from sponsored programs is slightly higher than budget which is predictable given that much of the research happens in the summer months. Commensurate with the research revenue increase is the higher than budgeted indirect cost return revenue.

Unaudited June 30, 2007 Consolidated Financial Statements

Ms. Volpi reviewed the draft unaudited consolidated financial statements for the year ended June 30, 2007. Reflective in the statements was an increase to unrestricted net assets of 25%, an increase to capital assets due to the Student Recreation Center and CTLM addition coming on line, and an increase in long term liabilities due to the loan from the CSM Foundation for the Student Recreation Center.

Capital

Ms. Volpi provided an update on two possible property acquisitions that the School has been tracking. The property located at the southwest corner of 19th and 6th and the property recently vacated by Stevenson Ford. The CSM Foundation limited liability corporations have recently put an offer on both properties. We are awaiting responses from both offers.

Status of Bond refinancing

The School locked both the rate for the new money (locked at 4.21%) and the refinancing (swap rate of 3.59%). The refinancing is scheduled to occur on September 27, 2007 which will yield \$3.5 million in proceeds.

Proposed Finance and Audit Committee schedule

A set schedule was proposed to hold the Finance and Audit committee meetings the Tuesday prior to the week of the Board of Trustees' meetings. The remainder of the meetings for 2007 and for 2008 will follow this schedule.

There being no further business, the meeting was adjourned at 1:00 p.m.


Secretary

Colorado School of Mines
RECORD OF PROCEEDINGS
Finance and Audit Committee Meeting

The Board of Trustee's Finance and Audit Committee met on October 22, 2007 at 11:45am.

Present: Trustees Hutson and Wagner

Also attending the meeting was: Vice President Volpi

Trustee Hutson presided.

Approval of meeting minutes

The minutes for the September 21, 2007 minutes were approved as submitted.

Audit

Ms. Volpi reported that the external audit is scheduled to conclude in November.

September 30, 2007 Financial Statements

The period ended September 2007 statement of financial position, all funds operating budget versus actual, and statement of cash flow were reviewed.

Ms. Volpi reported tuition revenue for fall is coming in stronger than budgeted primarily due to higher nonresident undergraduate student enrollment and both resident and non resident graduate student enrollment. Revenue from sponsored programs is slightly higher than budget which is predictable given that much of the research happens in the summer months. Commensurate with the research revenue increase is the higher than budgeted indirect cost return revenue.

Capital

Ms. Volpi provided an update on two possible property acquisitions that the School has been tracking. The property located at the southwest corner of 19th and 6th and the property recently vacated by Stevenson Ford. The CSM Foundation limited liability corporations put an offer on both properties. We are awaiting responses on both offers.

Department of Higher Education Funding Model

Ms. Volpi reported on the department of higher education's process to develop a funding allocation model for higher education for fiscal year 2009 budget. It is anticipated that the higher education chief financial officers will work with the department to develop a model to be presented to the commission in December.

There being no further business, the meeting was adjourned at 12:30pm.

Frank L. Jones
Secretary

RECORD OF PROCEEDINGS

Golden, Colorado
October 25, 2007

The Board of Trustees met in regular session on October 25, 2007 in the Coors Board Room.

Present: Trustees DeFilippo, Hutson, Nyikos, Tschatschula, Wagner and Student Trustee Nelson. Absent: Trustees Coors and Craig

Also in attendance: President Scoggins, Provost Middleton, Vice Presidents Chevront, Han, and Volpi and other staff members and visitors.

Trustee Nyikos presided.

Executive Session. Trustee DeFilippo made a motion, seconded by Trustee Tschatschula, to go into Executive Session to receive legal advice as authorized by CRS § 24-6-402 (3) (a) (II), to discuss a promotion and tenure item as authorized by CRS § 24-6-402 (3) (b) (I) and to discuss an honorary award nomination as authorized by CRS § 24-6-402 (3) (a) (VII). Motion carried.

Regular Session. Following the Executive Session, Trustee Hutson made a motion, seconded by Trustee Tschatschula, to reconvene in regular session at 1:45 p.m.

Approval of Minutes. Trustee DeFilippo made a motion, seconded by Trustee Tschatschula, that the minutes of the August 24, 2007 regular session be approved as submitted. Motion carried.

Chairman of the Board Report. Trustee Nyikos reported that Trustee Craig had provided her proxy to Trustee Wagner, if needed.

Board Committee Reports. Trustee Hutson reported that the Finance and Audit Committee met on October 22, 2007. Vice President Volpi will present the material covered in that meeting as part of the regular financial report later in the meeting.

Trustee DeFilippo reported that he had recently visited Turkey and met with officials at Istanbul Technical University in the hopes that Mines can explore additional cooperative opportunities with that University.

President's Report. President Scoggins provided a summary of recent organizational changes. Dr. Nigel Middleton will assume a new role as Senior Vice President for Strategic Enterprises. He will also serve as interim Provost while a search for a permanent Provost is undertaken; the Provost Search Committee will be chaired by Dr. Barbara Olds. Mr. Peter Han, who had asked to step down from his role as Vice President for Institutional Advancement, will assume a new role as Chief of Staff. Ms. Molly Williams will start as the new Vice President for Institutional Advancement on December 1. President Scoggins also acknowledged the

contributions of Mr. Dan Montez, Associate Vice President for Policy and Planning, who will be retiring at the end of October.

President Scoggins reported on a number of events which were held since the August Board of Trustees meeting. The grand opening of the Advanced Water Technology Center (AQWATEC) was held on August 29 with Representative Perlmutter in attendance. The opening of the Student Recreation Center was held on August 31 with John and Erika Lockridge in attendance. A donor reception was held in the McNeil Hospitality Room. On September 13 and 14 the Board of Directors of Cameco Corporation was on campus for a board meeting, tours and reception. On September 14, President and Mrs. Scoggins hosted a reception for new faculty at the Arthur Lakes Library. On September 20, Mr. Norman Augustine presented the Erickson Lecture. On October 2, Mr. John Hofmeister, CEO of Shell Oil, was on campus for a lecture and meetings. The Mines Century Society dinner was held on October 12 at the new Student Recreation Center. The Colorado Energy Research Institute hosted the Oil Shale Symposium on campus on October 15 & 16.

President Scoggins reported that he and Vice President Poate traveled to Washington, D.C. on September 24 & 25 for a series of meetings with the congressional delegation and agency representatives. They also attended a reception for alumni and friends hosted by the Alumni Association.

President Scoggins reported on his trip in early October to northern California, where he met with business leaders and attended alumni and friends receptions.

President Scoggins reported on his budget presentation to the Department of Higher Education on October 19; Trustee Wagner also attended the budget hearing to represent the Board of Trustees.

President Scoggins asked Provost Middleton to provide an update on the Petroleum Institute. Dr. Middleton reported that he was in Abu Dhabi in June and that there were good discussions regarding the migration toward a focus on research, particularly in the areas of upstream exploration and production and engineering education. Although there has been no response to date to a letter sent from President Scoggins to His Excellency Yousef Omair Bin Yousef in regard to some proposed re-synchronization and the most recent payment request, the School is moving forward on several research projects to show good faith.

Research Activities Report. In Vice President Poate's absence, President Scoggins presented the research report, noting that awards were slightly down. Provost Middleton commented on several significant awards from the National Science Foundation for engineering education.

Financial Report. Vice President Volpi reviewed the *Consolidated June 30, 2007 Draft Audited Financial Statements* and highlighted significant changes from the previous year. Vice President Volpi also reviewed the *Statement of Net Assets, Statement of Revenue and Expenses* (in the All Funds Operating Budget format) and a *Statement of Cash Flows* for the period ending September 30, 2007. She highlighted an increase in tuition revenue due to strong non-resident enrollment.

Awards Committee Recommendations. President Scoggins presented the recommendations from the Awards Committee for the December 2007 Commencement ceremony. The Committee recommends honorary degrees for Dr. Robert J. Birgeneau, Chancellor of the University of California, Berkeley, who will serve as commencement speaker, and for Dr. Evgeny Levashov, Vice Rector of International Relations at the Moscow State Institute of Steel and Alloys. Trustee Hutson made a motion, seconded by Trustee Wagner, to approve the Awards Committee recommendations. Motion carried. Trustee DeFilippo made a motion, seconded by Trustee Tschatschula, to approve the Mines Medal and Outstanding Board of Trustee recommendations presented by the administration. Motion carried.

Emeritus Status Recommendation. Provost Middleton presented a recommendation to confer emeritus status on Dr. Philippe Ross, Professor of Environmental Science and Engineering. Dr. Ross is a highly regarded member of the Mines faculty. Trustee Hutson made a motion, seconded by Trustee Tschatschula, to approve the following resolution:

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the following for Emeritus status effective on his retirement date:

Philippe Ross – Emeritus Professor of Environmental Science and Engineering

Motion carried.

Sabbatical Requests. Provost Middleton presented sabbatical requests for spring 2008 for Dr. Arthur Sacks and Dr. Mark Lusk. Trustee Wagner made a motion, seconded by Trustee Hutson, to approve the following resolution:

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves Dr. Arthur Sacks' and Dr. Mark Lusk's sabbatical requests for Spring 2008.

Motion carried.

Emergency Action Item. Provost Middleton presented a tenure and promotion recommendation for John Heilbrunn. Trustee Wagner made a motion, seconded by Trustee Hutson, to approve the following resolution:

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the recommendation of John Heilbrunn (Liberal Arts and International Studies) for tenure and promotion to Associate Professor.

Motion carried.

Emergency Action Item. Vice President Volpi presented an internal financing recommendation in regard to the high performance computing project. Trustee DeFilippo made a motion, seconded by Trustee Wagner, to approve the following resolution:

BE IT RESOLVED, that the Board of Trustees of the Colorado School of Mines hereby approves a loan not to exceed \$750,000 from the Petroleum Institute Funds in support of the purchase of the High Performance Computer. The Board understands this loan is to be repaid in 36 monthly increments of \$20,833.

Motion carried.

At this point, Trustee Hutson departed the meeting.

Sabbatical Reports. Provost Middleton presented sabbatical reports for the following faculty members who have successfully completed the requirements for their sabbatical leaves according to the Faculty Handbook: Kadri Dagdelen, Carol Dahl, Graham Davis, Tony Dean, Murray Hitzman, Bruce Honeyman, Bob King, Paul Martin, Dinesh Mehta, Carl Mitcham, Alexandra Newman, PK Sen, Marcelo Simoes, and Doug Way. Trustee Wagner would be interested in having a presentation from Professors Dean and Dahl on their sabbaticals. Trustee Tschatschula remarked that he had seen a report on Professor Dahl's work in a recent oil and gas journal. Provost Middleton will arrange for these presentations at a future board meeting.

Student Government Update. Student Trustee Nelson provided an update on various student government initiatives, including a campaign to make textbooks more affordable, and a proposal to use the bus pass fee to fund a shuttle service.

Finance and Administration Report. Vice President Volpi introduced Mr. David Lee, who gave an update on the status of the Banner project. Mr. Lee remarked that the implementation phase of the project is wrapping up and that it will now enter a maintenance and enhancement phase. As the project moves forward, the focus will be on the core system. Priority will be given to enhancing reporting and maintain communication with the campus. Information Services will be reorganized for better support and to create needed reporting infrastructure.

CSM Foundation Report. Executive Director Landrum presented the Mines Endowment composition report and the final draft of the Colorado School of Mines Foundation audited financial report for fiscal year ended June 30, 2007. She reported that the Mines endowment total reached \$175 million, an increase of \$20 million from the prior year. The annual investment return for the year ended June 30, 2007 was 16.8%.

Graduate School Admissions Report. Dean Boyd presented the final graduate admissions report for Fall 2007. He noted that the total number of applications continues to increase for all degree programs, including both U.S. resident and international candidates. The incoming class of Fall 2007 is 10% larger than the class of Fall 2006. Overall graduate enrollment is the largest it has been since 1993, with 851 students seeking graduate degrees. Dean Boyd remarked that diversity is increasing across all programs and highlighted several programs designed to enhance diversity and acknowledged the efforts of Mr. Jahi Simbai in this regard. Dean Boyd also reported on the success of the differential tuition program and reported that the new nuclear engineering degree program is now up and running with several students in the pipeline. Trustee DeFilippo inquired as to the status of the biochemical engineering degree program. Provost Middleton remarked that there are currently about thirty students enrolled but a more complete picture will be available next year.

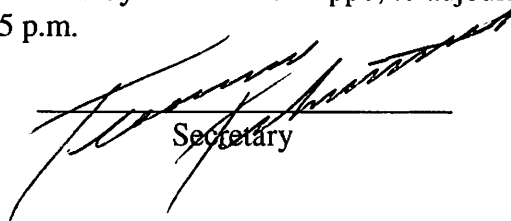
Registrar's Report. Registrar Medley presented the *Fall 2007 Registrar's Report*. Total enrollment is 4,268, with 3300 undergraduates, 851 graduate students and 117 non-degree seeking students. Ms. Medley reported that her office is now imaging all transcripts back to the beginning of the School.

Faculty Senate Report. Faculty Senate President Mishra reported that the Senate will be recommending that silver diplomas not be given at the time of graduation, in order to ensure that

the appropriate academic honors can appear on the diplomas. He also indicated that the faculty are looking at the academic dishonesty policy and will send their suggestions to the Undergraduate Council. Dr. Mishra also indicated that the faculty want to take an active role in the strategic plan recalibration.

Regular Written Reports. There were no questions on the regular written reports.

Trustee Wagner made a motion, seconded by Trustee DeFilippo, to adjourn the meeting. Motion carried. Meeting adjourned at 3:25 p.m.



Secretary

Colorado School of Mines
RECORD OF PROCEEDINGS
Finance and Audit Committee Meeting

The Board of Trustee's Finance and Audit Committee met on December 6, 2007 at 11:30am.

Present: Trustees Hutson and Wagner

Also attending the meeting was: President Scoggins and Vice President Volpi

Trustee Hutson presided.

Approval of meeting minutes

The minutes for the October 22, 2007 minutes were approved as submitted.

Audit

Ms. Volpi reported that there are two internal audits in process; Minority Engineering Program and student activities fees. These audits are projected to be finalized in January, 2008.

Ms. Volpi reported that the external audit is scheduled to conclude in December. The School will be meeting with the Legislative Audit Committee on February 5, 2008 to review the audit.

October 31, 2007 Financial Statements

The period ended October 2007 statement of financial position, all funds operating budget versus actual, and statement of cash flow were reviewed.

Value - added!

Ms. Volpi reported that tuition revenue for fall remains stronger than budgeted primarily due to higher nonresident undergraduate student enrollment and both resident and non-resident graduate student enrollment. Revenue from sponsored programs is slightly higher than budget which is predictable given that much of the research happens in the summer months. Commensurate with the research revenue increase is the higher than budgeted indirect cost return revenue.

Capital

Ms. Volpi provided an update on two property acquisitions that the School has been working on. The property located at the southwest corner of 19th and 6th and the property recently vacated by Stevenson Ford. The property at the corner of 19th and 6th is scheduled to close December 14, 2007 and the Ford property is scheduled to close January 15, 2008. The CSM Foundation limited liability corporation is the purchasing vehicle for these properties.

Department of Higher Education Funding Model

President Scoggins reported on the department of higher education's process to develop a funding allocation model for higher education for fiscal year 2009 budget. The Department of Higher Education is working closer with the Higher Education CEO's to come to a consensus on the funding models.

There being no further business, the meeting was adjourned at 12:45pm.

Secretary

RECORD OF PROCEEDINGS

Golden, Colorado
December 13, 2007

The Board of Trustees met in regular session on December 13, 2007 in the Coors Board Room.

Present: Trustees Coors, Craig (via teleconference), DeFilippo, Hutson, Nyikos, Tschatschula, Wagner and Student Trustee Nelson.

Also in attendance: President Scoggins, Provost Middleton, Vice Presidents Chevront, Poate, Volpi and Williams and other staff members and visitors.

Trustee Wagner presided until Chairman Nyikos arrived at 10:10 a.m.

Approval of Minutes. Trustee Tschatschula made a motion, seconded by Trustee Hutson, that the minutes of the October 25, 2007 regular session be approved as submitted. Motion carried.

Chairman of the Board Report. Trustee Wagner remarked that this will be the last Board meeting for him and Trustee Coors, after almost nine years of service. Trustee Wagner remarked that serving on the Board had been a wonderful experience and thanked the other Trustees and members of the staff for their support. Trustee Wagner also remarked that he was pleased to be able to continue to serve the School as Chairman of the Foundation Board.

Trustee Coors reflected on his service on the Board of Trustees, through good times and hard times, particularly in terms of the School's finances. He remarked that throughout his time on the Board there had been a very good team in place, and that he knew the School was in good hands going forward.

Board Committee Reports. Trustee Hutson reported that the Finance and Audit Committee met on December 4, 2007. Vice President Volpi will present the material covered in that meeting as part of the regular financial report later in the meeting.

Student Trustee Nelson provided an update on the activities of the student government. She indicated that student government had hosted an open forum with President Scoggins but there was a relatively small turnout for the event. They are working to try and get students more involved. The Associated Students of Colorado School of Mines (ASCMS) is currently working as part of a state-wide effort to improve higher education funding. They are also involved in a campaign to make textbooks more affordable. A committee has been formed to study the current bus pass program and consider alternatives.

President's Report. On behalf of the School, President Scoggins thanked Trustees Coors and Wagner for their dedicated service to the School as members of the Board of Trustees, and remarked on how much he had valued their advice, counsel and support.

President Scoggins also welcomed Ms. Molly Williams, who began her appointment as Vice President for Institutional Advancement on December 1. Mr. Peter Han, who stepped down as Vice President for Institutional Advancement, will now serve as Senior Advisor to the President and Chief of Staff.

President Scoggins reported that work has begun on an action plan based on the work of the Retreat.

President Scoggins reported on his meetings with Mr. David Skaggs, Executive Director of the Colorado Department of Higher Education, regarding the renegotiation of the School's performance agreement. At this point, since the Department would prefer to defer renegotiations, the School will send a formal letter requesting an extension of the current agreement.

President Scoggins reported that he plans to hold a half-day orientation for the new Trustees in January, as well as a social event to welcome the new Trustees and thank the outgoing Trustees.

President Scoggins reported on the status of the budget discussions with the State. He indicated that he had met individually with members of the Joint Budget Committee. In October, President Scoggins presented the School's budget to the Colorado Commission on Higher Education and indicated that Trustee Wagner attended to represent the Trustees. In December, he presented the budget to the Joint Budget Committee. President Scoggins also reported on his presentation to the Capital Development Committee, and indicated that the Phase II Hall of Justice funding is still on their list of projects. Other projects will probably not be funded this year.

President Scoggins reported that he and Mrs. Scoggins attended the Dixie Rotary Bowl game in St. George Utah., as well as the Mesa State football game in Grand Junction. An alumni and friends reception was held in Grand Junction the evening before the football game.

President Scoggins reported that a dinner was held for donors to the Student Recreation Center prior to the first home basketball game. At the game, the School retired the jersey of John Lockridge.

President Scoggins reported that the search for a Provost is underway; Dr. Barbara Olds is the Chair of the search committee. An announcement will be forthcoming shortly regarding the Associate Provost position.

President Scoggins asked Mr. Peter Han to provide an update on the Marquez Hall project. Mr. Han reported that the schematic design phase will be completed by February 1. The building will have 57,000 square feet and will have four stories, one partially below grade. Of the projected total construction cost of \$26M, approximately \$15.2M in commitments have been received.

President Scoggins reported that the Governor has issued an Executive Order allowing employee organizations to establish partnership agreements with the State. As a result, the Department of Personnel and Administration has issued an access protocol for groups to have access to classified employees. The School will follow its existing Facilities Use policy in this regard.

President Scoggins remarked that he was looking forward to the Graduation Banquet, which will feature outgoing Trustees Coors and Wagner as the speakers.

Trustee DeFilippo inquired as to whether there were any specific legislative items under consideration for next year. President Scoggins indicated there were no items, other than the possibility of adding an ex officio faculty trustee.

Research Activities Report. Vice President Poate provided an overview of research highlights. He indicated that awards are currently \$2M ahead of last year at this time. Dr. Poate also highlighted several significant awards, including funding from the Air Force Office of Scientific Research for Dr. John Moore's work in the area of "smart" surfaces and interfaces with application to strategic aerospace components and devices. He also highlighted Dr. Mark Lusk's work for the development of a high performance computing cluster with the National Renewable Energy Laboratory. Dr. Poate commented that the School continues to receive significant funding in the area of engineering education and highlighted a recent award to Dr. Michael Mooney from the Colorado Department of Education; he also reported on a \$2.5M multi-year commitment from Mr. Stephen D. Bechtel Jr. for engineering education efforts targeted at the K- 5 sector. Dr. Poate also provided an update on the status of the School's technology transfer program. He indicated that a strong advisory board has been established. Current efforts are focused on managing the School's patent portfolio and in negotiating license agreements with several companies.

At this point, Trustee Nyikos arrived, assumed chairmanship of the meeting, and apologized for his weather-related delay.

Financial Report. Vice President Volpi reviewed the *Statement of Net Assets, Statement of Revenue and Expenses* (in the All Funds Operating Budget format) and a *Statement of Cash Flows* for the period ending October 31, 2007. She noted a \$2M receivable from the Petroleum Institute that is awaiting payment. On the expense side, Vice President Volpi noted several commitments that were not included in the original budget, including requests to spend \$1M in prior year budget balances and \$250K for the Colorado Energy Research Institute (CERI), \$150K of which represents the remainder of the School's initial commitment to CERI. In response to a question, Ms. Volpi indicated that the goal is for CERI to be self-sustaining and that the School will not be subsidizing it on an ongoing basis.

Approval of Degree Candidate Lists. Provost Nigel Middleton introduced the list of candidates to be awarded degrees at the December 14, 2007 commencement ceremony. The candidates were previously approved through a voting action of the Faculty Senate. Trustee Coors made a motion, seconded by Trustee DeFilippo, to approve the following resolution:

BE IT RESOLVED that the Board of Trustees of the Colorado School of Mines approves the award of degrees to the candidates named in the attached graduation lists for December 2007.

Motion carried.

Petroleum Institute Update. Provost Nigel Middleton provided an update on the Petroleum Institute. The current focus is on long-term development of research, with a focus on upstream development. Several faculty members and graduate students are there now working in this area. Dr. Middleton reported on his most recent visit to the Petroleum Institute, which

included participation in a board meeting, an industry advisory board meeting, and a number of individual meetings. He reported that ADNOC has committed to \$4M in research support over the next three years. He also reported that the Petroleum Institute hopes to double the size of its student body over the next five years and is developing a feeder high school.

Faculty Senate Report. Faculty Senate President Brajendra Mishra provided an update on the work of the Faculty Senate. The Senate has established an ad hoc committee to explore the possibility of conducting online faculty evaluations; Student Trustee Nelson expressed concern over whether an online system might reduce the number of students who complete evaluations. The Senate is also concerned about academic dishonesty and has created a panel to study the issue. Representatives of the Faculty Senate are participating in the Strategic Plan re-calibration effort.

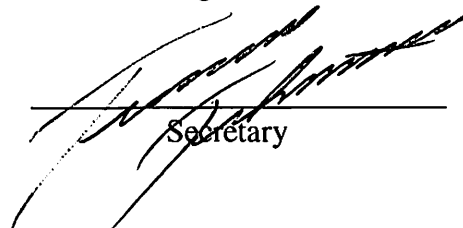
Sabbatical Report by Professor Dahl. Professor Carol Dahl presented a report on her Spring 2006 and Spring 2007 sabbatical. In Spring 2006 Dr. Dahl taught an energy economics class at the International Institute for Energy Studies in Tehran, Iran and was a visiting scholar at the University of U.A.E. She continued work on a project to survey energy demand elasticities, conducted a model evaluation for the U.S. Department of Energy and wrote a report on the U.S. gasoline market for the American Petroleum Institute. In Spring 2007 she chaired a session on energy economics for the International Association of Energy Economics, made presentations at multiple conferences and workshops and visited universities and government agencies in Brunei, Singapore, Malaysia, Cambodia, Laos and Hong Kong to promote the School's mineral economics program.

Sabbatical Report by Professor Dean. Professor Tony Dean presented a report on his Spring 2007 sabbatical. Dr. Dean spent his sabbatical at the National Renewable Energy Laboratory, where he worked on biomass conversion, and coupled the biomass work at NREL with the solid-oxide fuel cell research at Mines. He currently has three NREL-funded research programs underway, one focusing on conversion of bio-oil to hydrogen, one aimed at developing detailed kinetic models for biomass thermo chemical conversion, and one that deals with use of solid-oxide fuel cells for combined tar reforming and electricity production.

Regular Written Reports. There were no questions on the regular written reports.

Executive Session. Trustee Wagner made a motion, seconded by Trustee DeFilippo, to go into Executive Session to discuss the appointment of new trustees and election of officers as authorized by §24-6-402 (3)(b) (I), C.R.S. Motion carried.

Regular Session. The Trustees reconvened in regular session. Trustee Hutson made a motion, seconded by Trustee Coors, to adjourn the meeting. Motion carried. Meeting adjourned at 11:20 a.m.


Secretary