

MINUTES OF JUNE 8, 2022

**GARFIELD COUNTY FEDERAL MINERAL LEASE DISTRICT
817 Colorado Avenue, Suite 201
Glenwood Springs, Colorado**

1. Call to Order at 9:00 a.m.

2. Roll called by Administrative Assistant:

Quorum established.
Also in attendance:

Director Gregg Rippy, Present
Director Mike Samson, Present by Phone
Director Steve Rippy, Present
Andrew Gorgey, General Counsel
Stefanie Davis, Administrative Assistant
Sheana Fedirko, Balanced Books & Accounting (Zoom)
Cheryl Strouse, Executive Director, Garfield County
Housing Authority
Richard Peterson-Cremer, Legal Counsel, Garfield
County Housing Authority

3. Additions or Changes to Agenda.

President Rippy recommended moving Agenda Item 10(a)(a) to an earlier point in the agenda, right after the approval of the minutes, to accommodate presenters in the meeting.
MOTION to approve by Director S. Rippy, second by Director Samson, PASSED vote of 3-0.

4. Approval of Minutes.

a. May 11, 2022

MOTION to approve by Director S. Rippy, second by Director Samson, PASSED vote of 3-0.

5. New Business

a. Grant Issues & Updates

- i. 19-ST-02 and 21-SM-03; Garfield County Housing Authority grants; Update on projects by Executive Director Cheryl Strouse.

Executive Director Cheryl Strouse of the Garfield County Housing Authority, and her counsel Richard Peterson-Cremer of Karp Neu Hanlon shared the status of their grants 19-ST-02 and 21-SM-03, which have not been completed. Ms. Strouse presented a timeline of the project, citing delays and problems encountered since a general contractor was hired.

The main obstacles to progress have been:

- An unresponsive and unreliable contractor;
- Materials potentially damaged by weather and delays;
- An inability to obtain materials
- Work stoppage overall and potential legal action against the contractor(s)

FMLD did advance the Garfield County Housing Authority \$75,000, which is half of their grant award, in February of 2021, to pay the contractor to get started. There was confusion amongst the Town of Parachute and the Housing Authority and the contractor, High Country Construction, regarding proof of insurance, and proof of a valid contractor's permit. Specifically, certain documents were requested from the contractor were not produced.

The board of directors of the Garfield County Housing Authority has sought, since the beginning of this year, to find out how much work has been done, what monies have been spent and how to proceed with High Country or an alternate contractor. This is for their own knowledge, and to communicate a precise monetary and project status to the FMLD board.

A 'silver lining' of work done to date, is that much of the siding and windows have been completed, and in spite of weather conditions during the idle period over the winter, many of the installed materials are intact and not ruined. There is a bid process underway now, to find contractors who can bring the project to completion, in addition to having insurance, permits and other visible means of legitimacy and a good reputation. As of this meeting, the board has not sued its contractors for breach of contract, until they explained the status of the project to FMLD.

President Rippy asked if there was a payment and performance bond in place with the contractor, to which Ms. Strouse and Mr. Peterson-Cremer said no. He followed up by asking if there is a way to recoup losses and spent funds without a bond in place. The board and their legal counsel hope to recoup funds from the general contractor, Palomino Construction. They are also in search of a general contractor who can take the project to its completion this year. Going forward, FMLD Directors will require proof of insurance for all contracts, and require the grantee to obtain a payment and performance bond.

General Counsel stated that the Garfield County Housing Authority has done everything properly, in terms of communicating with FMLD and striving to meet the terms of the original grant agreement. Furthermore, based on the characterizations presented of monies spent and materials that are usable, FMLD is not out any money to date. The payment of \$75,000 has been accounted for and not wasted. Mr. Gorgey's advice is for the Directors to allow the Housing Authority to retain a new contractor and complete the project, and to establish a new completion date of 12/31/2022 for both grants.

MOTION to approve selection of a new contractor for the Housing Authority's project and extend the deadline for 19-ST-02 and 21-SM-03 to 12/31/2022 by Director S. Rippy, second by Director Samson, PASSED vote of 3-0.

6. Consent Calendar.

a. Approve Expenses

Staff requests that going forward, the Approve Expenses item is grouped with the Financial Reports which occur further into the meeting sequence of events. Because Ms. Fedirko presents an overview of all expenses and finances, it is more streamlined and appropriate to discuss all financial matters in one report. This will be the protocol going forward, i.e., Current Expenses being discussed under Financial Reports.

b. Requests for Payment

- i. 22-SM-01; Battlement Mesa Metropolitan district; Heavy Duty Dump Trailer; \$22,274.74

c. Request to Authorize President to Transfer Funds; Total Requested Payments \$22,300.00; with \$61.26 to Forfeited Grants.

MOTION to approve Consent Calendar by Director Samson, second by President Rippy; PASSED vote of 2-0, with one abstention by Director S. Rippy, due to this expenditure being related to Battlement Mesa Metro District.

7. Reports or Updates.**a. Financial Reports**

General Discussion of Balance Sheet and P&L Report; expenses are as expected; reconciliation of bank accounts approved.

MOTION to accept Financial Reports by Director S. Rippy, second by Director Samson; PASSED vote of 3-0.

b. Correspondence

Ms. Davis reported on correspondence; most correspondence has comprised communications back and forth with the grantees and finalizing the grant agreements. She has scanned the agreements as they are received and reviewed by Drew electronically.

c. Staff Reports**i. Administrative Assistant to the Board.**

Ms. Davis reported that the FMLD logo shirts ordered for Director Samson arrived. The bill for the Awards Luncheon plaques was submitted with this month's expenses; it was an oversight that this had not been paid in January or February.

ii. General Counsel.

Staff had their team meetings on May 18 and June 1. General Counsel also had brief phone meetings with Garfield County Housing Authority staff and counsel in preparation for today's discussion. Mr. Gorgey completed a continuing legal education class in Boulder since the last meeting. The annual staff luncheon at Juicy Lucy's will be next month on Wednesday, July 13th, so the July meeting will commence at 10 am.

MOTION to start the July 13 meeting to 10:00 am by Director S. Rippy, second by Director Samson; PASSED vote of 3-0.

8. Items Removed From Consent Calendar.

None

9. New Business.**a. Grant Issues & Updates****10. Other Business.**

None

11. Executive Session.


None

12. Next Meeting.

Wednesday, July 13, 2022, 10:00 a.m. - District Office

13. Adjourn.

Adjourned at 9:58 a.m.


Steve Rippy, Secretary


Date