

MINUTES

KIOWA COUNTY ECONOMIC DEVELOPMENT FOUNDATION

MEETING OF OCTOBER 19, 2011

PRESENT: John Courkamp, Tom Davis, Cardon Berry, Mike Lening, Jan Richards, Rod Johnson, and Dennis Pearson. Guests present were Chriss Paulsen and Julie Hollenbach of McDonald Land Services. Jerry Weber arrived at 6:45 PM. Bill Koehler, Dick Scott and Donald Oswald were absent.

The meeting was called to order at 6:30 PM. Paulsen and Hollenbach stated they have been pleased with the reception they have received from the Eads community. Paulsen and Hollenbach then presented a proposed five-year lease of KCEDF mineral rights calling for \$75.00 per acre, denying they have offered other land owners as much as \$125.00 per acre. General terms of the lease were then discussed. Paulsen and Hollenbach left the meeting at 7:00 PM. There was further discussion of the lease and mention of a documentary film entitled "Gasland", which outlines some potential hazards of oil and gas drilling. Lening moved to approve signing of the McDonald lease as long as a provision is added that will release any part of the KCEDF land not being utilized for oil or gas production after the initial five-year lease term. The motion was seconded by Weber and passed unanimously.

Discussion was then held regarding a counter-offer made by Black Gold Drilling to purchase acreage from KCEDF in order to establish a pipe storage yard closer to Eads. The KCEDF Board had made an initial price offering, which Black Gold Drilling considered to be too expensive. The Board decided to invite Black Gold Drilling to a future meeting to negotiate further. Lening left the meeting at 7:15 PM in order to honor a previous commitment.

Minutes of the September 20, 2011 meeting were then reviewed. Weber moved to approve the minutes as presented. The motion was seconded by Courkamp and passed unanimously.

Jan then presented the Treasurer's Report and asked the Board to approve a \$100.00 donation to a fund established to benefit the Howard Mitchell family, of Kit Carson, Colorado, following the automobile accident that killed Mitchell and several children who attended school in Eads. Courkamp moved to approve the donation. The motion was seconded by Weber and passed unanimously. Courkamp then moved to approve the Treasurer's Report as presented. The motion was seconded by Davis and passed unanimously.

Jan then presented the Coordinator's Report, noting Darlene Scott's position with the Colorado Office of Economic Development had been eliminated. Scott had served as a support person for Eastern Colorado, and her loss basically isolates rural Colorado from economic development support. Jan noted SEBREA objected strongly to the manner in which Scott's position had been eliminated.

The Towner Rail Line was briefly discussed. Scott had sent Jan an email message stating it appeared V&S Railway, which now owns the Towner Line, was intending to salvage the line instead of promoting it as an operational railroad line.

General discussion was held regarding KCEDF purchasing a block of land that had previously been donated to the Eads Senior Citizen's Center as a possible location of a new facility. This would then allow the Senior Citizens to donate the proceeds toward development of the Murdock Building, which is the location where a new center for the Seniors is now being developed. No action was taken by the Board.

It was also noted several members of the KCEDF Board had attended a meeting of the Kiowa County Commissioners to urge continued financial support of the organization.

Discussion was then held regarding the possible need to revise the covenants governing commercial property owned by KCEDF. Following review of the covenants, the Board decided, by consensus, not to modify the covenants since they provide for a great amount of flexibility.

Jan also announced that SECHORT had received a grant to promote tourism in SE Colorado and that part of the grant monies will be used for signage promoting the Haswell Jail and the site of the Towner Bus Tragedy.

It was also noted the locker plant in Haswell has been purchased and the new owner had asked if KCEDF would be willing to assist them financially with utility deposits. Discussion was then held regarding the feasibility of KCEDF providing such assistance and Jan was instructed to find out more about the deposit amounts. Davis then moved that up to \$500 be loaned, not given, to new businesses needing assistance with utility deposits as long as the loan agreement states the deposits shall be returned to KCEDF by the utility companies if the loan is not repaid. The motion was seconded by Courkamp and passed unanimously.

It was then reported that the building formerly occupied by Michael's Service Center has been purchased by Eads Consumer Supply. It is unknown at this time what the future plans are for the building.

Jan also reported the National Park Service will be placing a sign on the Murdock Building announcing it as the future home of the local NPS office.

Jan informed the Board she would be having knee surgery within the next week and would likely be out of the office for several days as she recovers. The Board agreed by consensus to permit the absence.

The Agriculture Report was provided by Rod Johnson, who noted wheat has been planted on some of the land belonging to KCEDF and that a problem with a water line providing service to nearby landowners is still being worked on.

There was no Housing Committee report provided.

Johnson provided a written report for the Resource Committee. Johnson also noted he had begun general preparation work in case oil and gas drilling should commence on KCEDF land.

There was general discussion regarding the housing shortage in Eads and the possibility of building a speculation home on KCEDF land.

There being no further business to discuss, the next meeting was scheduled for November 15, 2011 at 6:30 PM at the KCEDF office. Courkamp then moved the meeting be adjourned. The motion was seconded by Davis and passed unanimously. The meeting adjourned at 9:05 PM.