

**A RESOLUTION OF THE MESA COUNTY FEDERAL MINERAL LEASE DISTRICT
AMENDING THE DISTRICT BYLAWS GOVERNING EXPENDITURE OF THE
PERMANENT FUND.**

The following describes the intent and purpose of this resolution:

- a. The Mesa County Federal Mineral Lease District (the District) was established on June 20, 2011 by the Mesa County Board of County Commissioners (the BOCC) through Resolution MCM 2011-050, and was subsequently reformed through Resolution MCM-2012-057 on June 25, 2012.
- b. The Bylaws of the District (Bylaws) were originally adopted by the District Board pursuant to the Federal Mineral Lease District Act, § 30-20-1301 *et seq* C.R.S. (the Act).
- c. From time to time the Board reviews its governing documents for the purposes of updating them to conform to the needs of the District.
- d. As a result of ongoing review of District policies, the Board has concluded that the Permanent Fund portion of the Bylaws is serving the needs of the District well, and the District has continued to make contributions to the Permanent Fund as revenues are received.
- e. The Board finds that revenues to the District have declined recently as a result of a decline in overall minerals production in Mesa County, which has reduced the revenues available for distribution to Mesa County local governments.
- f. However, the Board affirms its position, as a matter of guidance for the District and future Boards, that the Permanent Fund is to be held for the benefit of future generations. In keeping with that policy, the Board wishes to document for future reference that the District will not expend more than the equivalent of one (1) fiscal year's earnings from the Permanent Fund, and that such expenditures would only be made under extraordinary circumstances, and after a significant and open public debate, as further defined in the amendment to the Bylaws, attached as **Exhibit 1**.

Therefore, the following Bylaw amendments are hereby adopted, as referenced in **Exhibit 1**.

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Adopted and approved by the District Board this 9th day of July, 2025 at a duly noticed public meeting of the Board where quorum was present.

**MESA COUNTY
FEDERAL MINERAL LEASE DISTRICT**

By: 

Quintin Shear, President
Mesa County FML District
Board of Directors

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Exhibit 1

BYLAWS OF THE MESA COUNTY FEDERAL MINERAL LEASE DISTRICT BOARD

AMENDED JULY 9, 2025

ARTICLE XIV PERMANENT FUND DECISIONS

14.1 Permanent Fund Purpose; Statement of Policy. The District has elected to hold and invest part of its funding for the purpose of providing a source of funds for future grants, as authorized by Colorado law. On October 11, 2017 the District enacted a resolution authorizing the creation of a Permanent Fund (the Permanent Fund Resolution). The Permanent Fund shall be held in trust for the purpose of providing a long-term source of funding for future community needs in Mesa County, subject to the conditions and limitations provided in this Article XIV. Consistent with the Permanent Fund Resolution, it is the Policy of the District that: i) the Permanent Fund shall not be expended, except in the case of emergency and compelling public need; and ii) if any part of the Permanent Fund is expended, the District shall endeavor to replace and refund to the Permanent Fund those sums that were expended as soon as practicable. Further, it is the policy of the District that, in connection with all requests to expend any part of the Permanent Fund, the District shall only approve such expenditures where the request is supported by clear and convincing evidence.

a. Expenditure Limited to Emergencies. The Permanent Fund shall comprise all contributions by the District and associated earnings, dividends, or returns. The District shall not expend all or part of the Permanent Fund, except upon making a written finding that the expenditure is justified by an emergency and a serious and compelling public need.

b. Public Notice. A resolution to authorize the expenditure of all or any part of the Permanent Fund shall first be published, in the manner provided for all other District agenda items, and available for inspection by the public at least sixty (60) days prior to any action by the Board.

c. Public Hearing; Unanimous Approval Required. Prior to taking action on any resolution authorizing the expenditure of any part of the Permanent Fund, the Board shall hold a public hearing and receive oral and/or written comments or testimony from interested persons and public entities. Following the conclusion of that public hearing the Board may approve the resolution, reject the resolution, or table it for further consideration. Any resolution approving the expenditure of any part of the Permanent Fund shall contain written findings justifying the decision and must be approved unanimously by all members of the Board.

d. Cap on Appropriations. Provided that all other terms and conditions in this Article XIV are satisfied, the sums appropriated from the Permanent Fund shall not exceed the equivalent of the appreciation (earnings, dividends, or returns) obtained in the preceding fiscal year. The District shall maintain clear and accurate records documenting the cash

value of all contributions and all earnings from the Permanent Fund, and those records shall be utilized in connection with any expenditure proposal.

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