UNIVERSITY CORPORATION FOR ATMOSPHERIC RESEARCH
UCAR Board of Trustees Meeting
27-29 February 2012
Auditorium, Center Green Campus
Boulder, Colorado

DRAFT Minutes

The following Trustees were present for all or portions of the meeting:

Dennis Hartmann, University of Washington, Chair
Mark Abbott, Oregon State University
Steve Ackerman, University of Wisconsin – Madison
Vicki Arroyo, Georgetown Climate Center
Roberta Balstad, Columbia University
Tom Bogdan, UCAR President
Ken Bowman, Texas A&M University
Fred Carr, University of Oklahoma
Richard Clark, Millersville University
Amy Clement, University of Miami
Kerry Cook, University of Texas at Austin
Rana Fine, University of Miami
Everette Joseph, Howard University
Molly Macauley, Resources for the Future
Jerry Melillo, Brown University & Woods Hole, present via phone
Ric Porreca, University of Colorado, Boulder
Alan Robock, Rutgers University
Eric Saltzman, University of California, Irvine
Scott Sternberg, Vaisala Inc.
Eugene S. Takle, Iowa State University
Richard Truly

UCAR Corporate Officers & Counsel:
Roger Wakimoto, NCAR Director
Jack Fellows, UCAR Vice President, UOP Director
Susan Friberg, UCAR Assistant Secretary
Maura Hagan, NCAR Deputy Director, (by phone)
Meg McClellan, UCAR General Counsel
Jeff Reaves, Associate Vice President of Business Services
Katy Schmoll, UCAR Vice President, Finance and Administration
Dan Wilson, UCAR Director of Treasury Operations

Additional UCAR, NCAR & UOP Attendees:
Peter Backlund, ISP Director
Eron Brennan, UCAR Multi-media Services
Mike Henry, Office of Government Affairs
Veda Emmet, NCAR Directorate
Aneka Finley, UCAR Corporate Affairs
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Michelle Flores, UCAR Corporate Affairs
Vanda Grubsic, Director, EOL
Mary Marlino, Director, NCAR Library
Hanne Mauriello, Director UCP Budget and Administration
Melissa Miller, UCAR Director Budget and Planning
Brain Morrato, UCAR Multimedia Services
Susan Montgomery-Hodge, UCAR President’s Office
Helen Moshak, NCAR Directorate Operations
Mohan Ramamurthy, Director Unidata
Robert Roesch, UCAR Human Resources
Cindy Schmidt, Office of Government Affairs
Kathy Strand, UCAR President’s Office
Michael Thompson, Director, HAO

NSF and other Attendees:
Stephan Nelson, Head, NCAR/Facilities Section, AGS/NSF
April Burke, Lewis Burke Associates
Wendy Naus, Lewis Burke Associates

Tuesday, 28 February 2012

The Board re-convened in Executive Session at 1:00pm. Minutes are kept in the corporate offices.

The Board convened in Regular Session at 1:15 pm.

1. Welcome, Introductions, and Agenda Review

Board of Trustees Chair, Dennis Hartmann, called the meeting to order. He introduced new UCAR President, Tom Bogdan, who made opening remarks. The Chair then welcomed new Trustees, Vicki Arroyo, Everette Joseph, and Alan Robock. He also read the following resolutions of appreciation to outgoing Trustees Mark Abbott and Don Wuebbles.

Resolution of Appreciation for Mark Abbott

Whereas, Mark Abbott has served on the UCAR Board of Trustees for the past three years.

Whereas, his time on the Board has been characterized by thoughtful and thorough consideration of all corporate matters. His broad and deep community service has informed his work with the Board, and his administrative skill has been a significant asset to the corporation in these challenging times. His service on the Personnel Committee has been especially valuable.

Now therefore, at the conclusion of his term, the Board and UCAR management take the opportunity to express our sincere gratitude for his guidance and attention, and our heartfelt wishes for every continued success. We hope we can call on him to work with UCAR governance or in other capacities again in the near future.
Resolution of Appreciation for Don Wuebbles

Whereas, Don Wuebbles has served on the UCAR Board of Trustees for the past three years.

Whereas, during that time, he has lent his breadth of experience and administrative expertise to Board matters, especially in his service on the Personnel Committee.

Don has our deepest appreciation for all of his contributions during the time he served. In addition, he takes with him the Board’s and UCAR management’s acknowledgment of his value to the broad scientific community, and warmest congratulations on his recent election to AMS Fellow. It is our hope that he will find his way back to UCAR governance in the future.

Now therefore, let it be resolved that the members of the UCAR Board of Trustees express their thanks to Don, and wish him continued success in the future.

The resolutions for Mark Abbott and Don Wuebbles were moved, seconded, and passed.

The resolution for Dick Truly was read the following day in Executive Session but is noted here for reference.

Resolution of Appreciation for Richard Truly

Whereas, Richard Truly has served on the UCAR Board with distinction for the past 6 years.

Whereas, during that time his service has been marked by his gentlemanly manner, and his thoughtful deliberation of all matters coming before the Board. Dick’s service has been especially valuable on the Audit and Finance Committee where his guidance will be sorely missed. In addition, we are very grateful to him for lending his considerable expertise to UCAR during the NSF recompetition for the management of NCAR.

Now therefore, upon completion of his term, he takes with him the best wishes of the Board and UCAR management for continued success, and the hope that our paths cross again soon!

The resolution for Richard Truly was moved, seconded, and passed.

Board Chair, Dennis Hartmann, then reviewed the agenda and asked for approval. A motion was made to approve the agenda. It was seconded and passed.

2. Secretary’s Report

Secretary, Roberta Balstad, reviewed the minutes from the October Board meeting and asked for approval. After a typo was noted, it was moved, seconded, and passed to approve the minutes, reflecting that change.
3. Treasurer’s Report

Treasurer Ric Porreca reviewed two reports: The FY11 consolidated statement of funding, and a consolidated statement of funding report on the first three months of FY12. He reported that UCAR completed FY11 under budget and consistent with the Board’s budget priorities. The construction on the NCAR Wyoming Super Computing Center (NWSC) was completed on time and within budget. For FY12, NSF core funding is flat except for $2.3 million for operations for the NWSC, and lower NSF special and non-NSF NCAR funding is expected in FY12/13.

4. Audit and Finance Committee

Chair of the Audit and Finance Committee, Ric Porreca, reported on the topics covered by the committee meeting the previous day. The committee received an update on NWSC. The committee also received information on the proposed 2002 & 2003 bond refunding. (The Trustees received the information and a proposed resolution for refinancing in advance of the meeting.) Dan Wilson reviewed the details of the refinancing of UCAR’s debt and estimated that the refinancing should gross about $2.4 million in savings. Chair Porreca presented a cogent and clear explanation of the refinancing details, and then reported that the Audit and Finance committee recommends approval of the following resolution for the long-term financing for the refunding of the 2002 and 2003 bonds.

February 2012
Series 2012 Bonds

RESOLUTION AUTHORIZING LONG-TERM BOND FINANCING FOR THE REFUNDING OF ALL OR A PORTION OF THE SERIES 2002 BONDS AND THE SERIES 2003 BONDS

WHEREAS, the University Corporation for Atmospheric Research (the “Corporation”) is a Colorado non-profit corporation with requisite power to own and operate its facilities and to carry on its business as presently being conducted; and

WHEREAS, on December 18, 2002, the County of Boulder, Colorado (the “County”) issued $29,335,000 of its Development Revenue Bonds, Series 2002 (University Corporation for Atmospheric Research) (the “Series 2002 Bonds”) in order to (a) finance and refinance the cost of (i) the acquisition of three existing office buildings and refurbishing, equipping and expanding such facilities, and (ii) certain improvements to other existing facilities of the Corporation, (b) fund a debt service reserve fund for the Series 2002 Bonds and (c) pay certain issuance expenses related to the Series 2002 Bonds; and

WHEREAS, on December 4, 2003, the County of Boulder, Colorado (the “County”) issued $25,000,000 of its Development Revenue Bonds, Series 2003 (University Corporation for Atmospheric Research) (the “Series 2003 Bonds”) in order to (a) finance the costs of improvements to the Corporation's facilities, (b) pay the premium of a surety bond for deposit in the Reserve Fund established under the Trust Indenture for the Series 2003 Bonds, and (c) pay the costs of issuance of the Series 2003 Bonds, including the premium for the financial guaranty insurance policy insuring the Series 2003 Bonds; and

WHEREAS, the Corporation has previously refunded a portion of the Series 2002 Bonds; and
WHEREAS, the Corporation has requested that the Colorado Educational and Cultural Facilities Authority (the “Authority”) issue its Revenue Refunding Bonds (University Corporation for Atmospheric Research Project) Series 2012 (the “Series 2012 Bonds”) in order to (a) refund all or a portion of the remaining outstanding Series 2002 Bonds by funding an escrow account to be held under an Escrow Agreement (the “Escrow Agreement”), by and between the Corporation and The Bank of New York Mellon Trust Company, N.A., as escrow agent thereunder (the “Escrow Agent”); (b) refund all or a portion of the remaining outstanding Series 2003 Bonds by funding an escrow account to be held under an Escrow Agreement (the “Escrow Agreement”), by and between the Corporation and The Bank of New York Mellon Trust Company, N.A., as escrow agent thereunder (the “Escrow Agent”); and (c) pay the costs of issuance relating to the Series 2012 Bonds (the “Refunding Project”); and

WHEREAS, the Authority will issue the Series 2012 Bonds in an aggregate principal amount not to exceed $30,000,000, which Series 2012 Bonds are to be issued pursuant to a Master Trust Indenture, dated as of April 1, 2010 (the “Master Indenture”), as amended and supplemented by a Fourth Supplemental Trust Indenture, dated as of March 1, 2012, or such other date as may be determined by the parties thereto (the “Fourth Supplemental Indenture” and, together with the Master Indenture, the “Indenture”), each by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee thereunder (the “Trustee”), and the Authority will agree to loan the proceeds of the Series 2012 Bonds to the Corporation pursuant to a Master Loan Agreement, dated as of April 1, 2010 (the “Master Loan Agreement”), as amended and supplemented by a Fourth Supplemental Loan Agreement, dated as of March 1, 2012, or such other date as may be determined by the parties thereto (the “Fourth Supplemental Loan Agreement” and, together with the Master Loan Agreement, the “Agreement”), each by and between the Authority and the Corporation for the purpose of financing the Refunding Project; and

WHEREAS, the Agreement will be a general obligation of the Corporation payable from all available revenues of the Corporation; and

WHEREAS, it is deemed to be in the best interest of the Corporation to have the Authority issue the Series 2012 Bonds and finance the Refunding Project; and

WHEREAS, simultaneously with the delivery of the Series 2012 Bonds, the Corporation, the Authority and the Trustee will execute a Tax Regulatory Agreement, dated as of March 1, 2012, or such other date as may be determined by the parties thereto (the “Tax Regulatory Agreement”), which will contain the necessary undertakings relating to the excludability of interest on the Series 2012 Bonds from gross income for federal income tax purposes;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY CORPORATION FOR ATMOSPHERIC RESEARCH, AS FOLLOWS:

1. That the financing of the Refunding Project by the issuance of the Series 2012 Bonds by the Authority is hereby authorized. The Vice President, Finance and Administration and the Director of Treasury Operations of the Corporation (each an “Authorized Officer” and, together, the “Authorized Officers”) are hereby authorized, empowered and directed to execute any instruments and take any actions required to implement the financing of the Refunding Project. The Series 2012 Bonds shall be issued as fully registered bonds in an aggregate principal amount not to exceed $30,000,000 (or such larger amount, so long as the present value savings generated by the refunding of the Series 2002 Bonds and the Series 2003 Bonds shall be at least equal to 4.0%). The Series 2012 Bonds shall mature, shall bear interest at the per annum rates, shall be
payable, shall be subject to redemption prior to maturity and shall be in substantially the form provided in the Indenture. The Series 2012 Bonds shall be either publicly offered pursuant to a negotiated sale or sold via a direct placement. The Series 2012 Bonds will be a fixed interest rate.

2. That the Authorized Officers are hereby authorized, empowered and directed to execute and approve the Fourth Supplemental Loan Agreement, the Escrow Agreements, the Tax Regulatory Agreement, the Continuing Disclosure Agreement, the Preliminary Official Statement, the Official Statement and any and all other further agreements, documents, instruments and certificates contemplated or deemed necessary by such officers in order to carry out the transactions contemplated hereby or thereby (collectively, the “Corporation Documents”) in the name and on behalf of the Corporation and, thereupon cause the same to be attested by any other officer (other than the Authorized Officers) of the Corporation. The final forms of the Corporation Documents shall be reviewed and approved by counsel to the Corporation, with such changes therein as shall be approved by the Authorized Officers executing the same, their execution thereof to constitute conclusive evidence of the Corporation’s and this Board of Trustees’ approval of the Corporation Documents.

3. That the Authorized Officers are hereby appointed and authorized to execute all certificates and other closing documents which may be necessary in connection with the issuance of the Series 2012 Bonds, in connection with any credit enhancement with respect to the Series 2012 Bonds or in connection with the sale of the Series 2012 Bonds, and any other agreements reasonably required in connection therewith or in connection with any and all transactions related thereto, and all such actions and transactions of the Authorized Officers which are in conformity with the purposes and intent of this resolution hereby are in all respects ratified, approved and confirmed.

4. That pursuant to the Agreement (a) the appropriate officers of the Corporation are authorized to include in its annual budget submissions to the National Science Foundation ("NSF") or to any other governmental agency or party anticipated to provide a significant portion of the revenues of the Corporation, a request for amounts sufficient to permit it to make Loan Payments and Additional Payments (as such terms are defined in the Agreement), including on the Series 2012 Bonds, which will be payable during the period for which the budget has been prepared; (b) there is a reasonable expectation that the Corporation will receive income sufficient to pay the principal of and premium, if any, and interest on the Series 2012 Bonds; and (c) subject to annual appropriation of Congress, the NSF or another government agency or reasonable funding source has committed to provide moneys for the facilities and equipment to be funded with the proceeds of the Series 2012 Bonds.

5. That all other acts and transactions of the officers and agents of the Corporation or of its Board of Trustees, including but not limited to the execution of other agreements, certificates and documents, which are in conformity with the purposes and intent of this resolution and in furtherance of the issuance and sale of the Series 2012 Bonds, and in furtherance of the financing of the Refunding Project, shall be and the same hereby are in all respects ratified, approved and confirmed.

6. That if any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

End of Resolution
Upon recommendation of the Audit and Finance Committee, the resolution was seconded, and passed.

Chair Porreca reported that the Audit and Finance Committee also heard a report from the internal auditor who made a few minor recommendations. Additionally, he said that UCAR’s Export Compliance Policy is working well and has handled three small violations that were self reported and cleared. KPMG also reported to the committee on the unqualified external audit.

5. **Budget & Programs Committee Report**

Chair of the Budget and Program Committee, Steve Ackerman, reported on the Budget & Programs committee meeting held earlier in the day. The committee heard reports from NCAR director, Roger Wakimoto, regarding the current NCAR budget situation. The committee also heard a report on the NCAR retreat with NSF which went very well, he said, and will probably be scheduled again next year. He also reported on the NSF Management Review (October 2011) saying the panel did a nice job of reviewing business practices and focusing the review on management practices and not on the science.

6. **Board Nominating Committee Report**

Chair of the Board Nominating Committee, Steve Ackerman, reported on the work of this committee to determine the 2012 officer and Board committees slate. **Upon recommendation of approval from the Nominating Committee, the following slate was seconded and passed.**

**OFFICERS**
- Chair: Dennis Hartmann
- Vice Chair: Steve Ackerman
- Secretary: Roberta Balstad
- Treasurer: Ric Porreca
- Assistant Secretaries: Jack Fellows, Susan Friberg
- Assistant Treasurers: Kathryn Schmoll, Dan Wilson

**UCAR President:** Thomas Bogdan
**NCAR Director:** Roger Wakimoto
**NCAR Deputy Director:** Maura Hagan
**VP for Finance and Administration:** Katy Schmoll
**VP for Corporate Affairs:** Jack Fellows
**Associate VP, Business Services:** Jeff Reaves

**EXECUTIVE COMMITTEE**
- Chair: Dennis Hartmann
- Members: Steve Ackerman, Gene Takle, Roberta Balstad, Ric Porreca

**Members at Large:**
- Thomas Bogdan
- Rich Clark
- Eric Saltzman
7. UCAR Foundation Report

UCAR Foundation Vice President, Jeff Reaves, gave a brief report on Foundation activities. It was founded in 1986 as an agent for technology commercialization. It is a separate 501(C)3, licensing technologies to third parties, protecting intellectual property and bringing inventions to the commercial marketplace. The directors of the Foundation Board are elected by the UCAR Board. Reaves presented two nominations to the UCAR Foundation Board: Vivian Dullien and UCAR President Emeritus, Rick Anthes. This is a re-nomination for Ms. Dullien, and a new appointment for Rick Anthes, though he served ex-officio when he was UCAR President.

A motion was made to re-elect Vivian Dullien and elect Rick Anthes as Directors for the UCAR Foundation; the motion was seconded, and passed.
8. National Science Foundation Update

Stephan Nelson, Head, NCAR/Facilities Section, AGS reported on some of the personnel changes at NSF: his own appointment as Section Head, and the pending appointment of a new Program Officer for the Lower Atmosphere Section. He said an offer has been made for the latter position. He reported on the NSF Management Review held this past October (2011), reporting that NSF’s goals going into this cycle of NCAR science and UCAR Management reviews included validating the National Center’s activities, identifying and making midcourse corrections if necessary, or any adjustments related to the cooperative agreement, and helping NSF decide if there should be a renewal of UCAR’s agreement to manage NCAR for another five years or if there should be a recompetition. Overall, he said, the review was very positive, and noted that there were two “major” issues though, that will need NSF and UCAR attention in the near future:

1) Should there be more involvement from the private sector and operational community? He said UCAR and NSF need to address this in the near-term.

2) NSF, with support from NCAR, should engage sister agencies and OSTP to develop a national climate modeling strategy.

Nelson reported on the recent release of the President’s FY2012/2013 budget, and said that although NCAR is down 6.4%, it was not singled out from other scientific facilities and fared better than most. He reminded the Board that the budget process is far from over and anything could, and much most likely would, change in the next few months.

There was discussion about the process and timing for renewal of the cooperative agreement, as well as the idea of more involvement in UCAR and NCAR from the private sector and operational communities.

Steve Nelson said the AGS/GEO recommendation on the renewal of the UCAR/NSF cooperative agreement to manage NCAR is on the agenda for the May National Science Board Meeting.

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The Board re-convened in Executive Session at 3:30 pm. Minutes are kept in the corporate offices

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Wednesday, 29 February 2012

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The Board re-convened in Executive Session from 8:00am to1:00pm. Minutes are kept in the corporate offices.

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The meeting adjourned at 1:00pm

~ End of Minutes ~