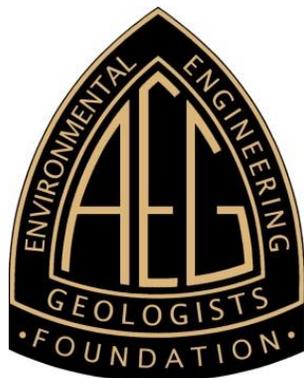


AEG FOUNDATION



CHARTER

ROBERT J. WATTERS GREAT BASIN CHAPTER SCHOLARSHIP FUND

SUPPORTING UNDERGRADUATE AND GRADUATE GEOSCIENCE STUDENTS
IN NEVADA THROUGH SCHOLARSHIP GRANTS

**AEG FOUNDATION
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THE PURPOSE OF AEG FOUNDATION FUND CHARTERS

An AEG Foundation Fund Charter is a document adopted by the Board of Directors. It describes (as applicable)

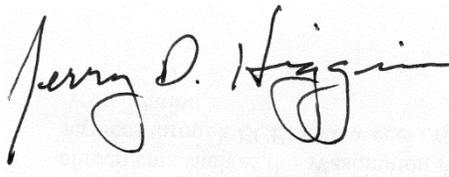
- The history of a fund,
- Donor intent,
- The purposes for which the fund may and may not be used,
- The Board's goals for the fund,
- Administrative operating criteria, and
- Financial operating criteria.

A Fund Charter demonstrates the Board's commitment to prudent management of the Foundation's resources and compliance with applicable laws and regulations. Within the framework of AEG Foundation governance, a Fund Charter is a policy document that may be amended or interpreted by the Board through a simple majority vote. A Fund Charter may refer to other documents that further describe the operations and nature of a fund. Formal Resolutions of the Board that apply to a particular fund will be attached to the Fund Charter as appendices.

Accounting terms used in this Charter are intended to conform to Accounting Standards Codification (ASC).

This Charter was adopted by the Board of Directors of the AEG Foundation on October 4, 2017.

By:

A handwritten signature in black ink that reads "Jerry D. Higgins". The signature is written in a cursive style with a large initial "J" and "H".

Jerry D. Higgins, Secretary

**FUND CHARTER
ROBERT J. WATTERS
GREAT BASIN CHAPTER SCHOLARSHIP FUND**

INTRODUCTION

The Robert J. Watters, Great Basin Chapter Scholarship Fund was inspired by the many geologists and geological engineers who have benefitted from the teaching and mentorship of Dr. Watters and to the many University of Nevada, Reno (UNR) alumni who have dedicated their time, efforts, and careers to teaching, research, and promotion of the practice of geological engineering, environmental geology, engineering geology, seismology, and hydrogeology, in Nevada.

PURPOSE AND SCOPE

In adopting this Fund Charter by motion at the AEG Foundation Board of Directors meeting on October 4, 2017, the Board stated the purpose and scope of the Robert J. Watters Great Basin Chapter Scholarship Fund as:

The Robert J. Watters Great Basin Chapter Scholarship Fund supports geoscience studies by students at the undergraduate and graduate levels. Recipients of grants must be students enrolled in an accredited Nevada four-year college or university, or students enrolled in an accredited four-year college or university outside Nevada but conducting a substantial portion of their field studies inside Nevada. Awards will be made by the AEG Foundation to outstanding and deserving students based on demonstrated ability, scholarship, potential for contributions to the profession, character, and participation in student/professional societies.

FUND ADMINISTRATION AND OPERATION

General Conditions

Grants from the Robert J. Watters Great Basin Chapter Scholarship Fund are intended to recognize and support deserving undergraduate or graduate students who are Student Members of the Association of Environmental & Engineering Geologists (AEG). The Fund does not support general and administrative (overhead) costs, technical or scientific consulting fees, or equipment purchase or maintenance costs of an educational institution employing or teaching individuals who receive grants from it.

Robert J. Watters Scholarships are not payment for services and are intended by the Foundation to be “qualified scholarships” as defined by the Internal Revenue Code. The

AEG Foundation shall issue IRS Form 1099 to grant recipients in accordance with IRS regulations. Recipients will be asked to provide the necessary information to complete the Form 1099 upon receipt of their grant. Recipients should consult their tax advisors regarding taxability of the grant

In keeping with the Internal Revenue Code classification of the AEG Foundation as a 501(c)(3) charitable organization, the Foundation will not make grants supporting activities or publications that are designed to be used to influence political decisions or processes. The AEG Foundation Board of Directors will make all decisions regarding disbursement of grants from the Great Basin Chapter Robert J. Watters Scholarship Fund in its sole discretion.

In applying for a grant from the AEG Foundation, the grant applicant agrees to

- Use the funds received from the AEG Foundation for the proposed use
- Use the funds in accordance with applicable law and regulation
- Avoid activities in the use of the funds that would jeopardize the AEG Foundation's tax-exempt status,
- Provide the Foundation with a brief written report on the research sponsored by the grant (suitable for publication in the AEG News), and
- Maintain student membership in the Association of Environmental & Engineering Geologists during the life of the grant.

Application Review and Awards

Applications are reviewed and ranked by a Selection Committee. The chair of the Selection Committee will be approved by the Foundation Board of Directors. The Great Basin Chapter is responsible for staffing the Selection Committee. The AEG Foundation will appoint one Foundation Director as a voting member of the Selection Committee to act as liaison between the Foundation and the Committee. Awards will be made based on demonstrated ability, scholarship, potential for contributions to the profession, character, and participation in student/professional societies.

Minimum requirements for a scholarship grant include enrollment as an undergraduate- or graduate-level student majoring in geological engineering, geology, or a closely related field, at an accredited four-year college or university, an overall post-secondary grade point average (GPA) of 3.0 out of 4.0, student membership in AEG and sponsorship by an AEG Member. Grant recipients must agree to maintain their Student Membership in AEG throughout the life of the grant, and to present a short report describing use of the funds and any findings resulting from studies supported by the grant. The Application Form, available on the AEG Foundation web site, provides full instructions.

Each calendar year, the Foundation plans to award one or more scholarship grants, depending upon funds available. The Selection Committee will submit its

recommendation for scholarship award(s) to the AEG Foundation Board for action. The Selection Committee may recommend one or more awards, or no award, at its discretion.

Management Protocols for the Robert J. Watters Great Basin Chapter Scholarship Fund

The fund management protocols represent a desire by the Board to achieve long-term stability in the administration of the Foundation's assets and uniformity in the administration of its scholarship funds and programs. The objective of protecting certain funds from invasion is supported by implementing Board-Designated Set-Asides as the fund balance grows.

Robert J. Watters Great Basin Chapter Scholarship Fund Management Protocols

1. Unless otherwise specified by the donor, contributions to the Robert J. Watters Scholarship Fund are classified as Temporarily Restricted Net Assets in accordance with Accounting Standard Codification (ASC) until such contributions are expended for purposes consistent with this Charter. Earnings from contributions are classified as Unrestricted Net Assets, unless otherwise specified by the donor. The AEG Foundation may accept contributions to the Fund with time or purpose limits consistent with this Charter. The Foundation's gift acceptance policy will apply. The Board may, from time to time, reclassify assets of the Fund in accordance with ASC, consistent with donor intent.
2. Identifiable costs directly related to the operation of the Robert J. Watters Scholarship Fund may be expensed to the Fund.
3. The AEG Foundation Board may assess an administrative support fee to assist in funding the Foundation's general administrative and fundraising functions.
4. The AEG Foundation may "spend down" the Fund without limit. Once the Fund reaches a balance in excess of \$5,000, if the Fund balance falls below \$5,000 a notice shall be sent to members of the Selection Committee within 30 days of the reaching or falling below \$5,000. Notification may be by electronic media. If the Fund balance reaches, or falls below, \$500 for a period of six (6) consecutive calendar months, the Fund may be closed by a majority vote of the Foundation Board and the remaining funds transferred to the Greatest Need Fund.

GOALS ADOPTED BY THE BOARD OF DIRECTORS

Long-Term Use of the Fund

The Board believes that the Robert J. Watters Fund Purpose and Scope made a part of this Fund Charter are consistent with the Foundation's mission and authority. The Board believes that the Fund should grow to make more or larger awards. These opportunities exceed the support level available from the present fund balance.

Fund Balance Goals

The Board sets the long-term funding goal for the Great Basin Chapter Scholarship Fund at \$75,000. For fund development purposes, this goal is to be divided into \$25,000.00 increments.

SCHEDULE FOR REVIEW OF CHARTER, FUND OPERATIONS, AND GOALS

The Board may maintain this charter unchanged or make revisions at any time. This fund charter shall be reviewed by the Board of Directors at least every five years on a schedule to be determined by the Board. The Programs Committee shall prepare a review report with recommendations for consideration by the Board at that time.

**APPENDIX ONE
BIOGRAPHICAL INFORMATION FOR ROBERT J. WATTERS**

ROBERT (BOB) WATTERS, PH.D.



Degrees

- **Ph.D. 1972, Imperial College, London, England**
- **M.S. 1970, Imperial College, London, England**
- **D.I.C. 1970, Imperial College, London, England**
- **B.S. 1969, University of Strathclyde, Scotland**

Research Areas:

Geologic hazards involving slope instability (landslides) in varied geologic materials and geographical areas, rock mass strength characterization of weathered and hydrothermally altered rock. On-going research involves edifice and sector stability of the Cascade Range Volcanoes (Washington and Oregon), the Hawaiian Islands, the Mexican Volcanic Belt, and volcanoes in South America. Open pit mine slope research has similarities to volcano research as hydrothermal alteration adversely affects open pit stability. Rock fall from natural and man-made excavations, stability of mountain, coastal, and submarine slopes, and paleoseismic induced lateral spreading. Funded research has been supported by NSF, DOE, NEHRP, NASA, NDOT, and WDOT. Current research on underground excavations in weak rock, funded by NIOSH and strength of carbonate cemented sediments and effects on drilled shaft design funded by NDOT.

Experience:

Professor of Geological Engineering University of Nevada, Reno 1978 – Present. Has Advised over 100+ students in his time at UNR and still counting.
AEG UNR Student Chapter Faculty Advisor 1979 to 2005. Was the 2001 Richard H. Jahns Distinguished lecturer in Engineering Geology selected by the Geological Society of America and Association of Engineering Geologists.

Employed by civil and mining engineering consulting companies in the USA, UK, and Africa on varied projects involving surface and underground mine design, site construction engineering for underground hydroelectric power station, and pipeline ROW engineering in Alaska. Consultant and expert witness for companies and for attorneys and State Departments of Transportation, on slope stability, slope remediation design, risk assessment and geologic hazards.

APPENDIX TWO FUND HISTORY

Donations and Donor Intent

In April of 2017 AEG Past President Gary Luce in collaboration with AEG member William Gates, both former students of Dr. Robert J. Watters, proposed to the AEG Great Basin Chapter the formation of a scholarship to honor the contributions to the many students he has mentored and advised during his career at the University of Nevada, Mackay School of Mines (now the Mackay School of Earth and Environmental Science). The Chapter Board of Directors voted to put the proposed scholarship to a vote of the Chapter. Mr. Luce and Mr. Gates pledged, if approved, to raise an initial \$2000 of seed money and to actively solicit additional contributions.

In June of 2017 the proposed Charter for a new scholarship to honor the service of Robert J. Watters was sent to the voting members in good standing of the Great Basin Chapter of the Association of Environmental & Engineering Geologists for approval. Of the votes received, 100% were in favor. It is the intent of the Great Basin Chapter for the scholarship to be administered by the AEG Foundation and with a Selection Committee largely composed of Great Basin Chapter Members.

Recipients of the Robert J. Watters Scholarship

2018 Morgan Remick, University of Nevada, Reno

APPENDIX THREE BOARD RESOLUTIONS AND MOTIONS

- 06/30/2017 Initial Charter approved by the Great Basin Chapter Board of Directors.
- 10/04/2017 Initial Charter approved by the AEG Foundation Board of Directors.
- 06/12/2018 Updated with name and school of recipient