

**Joint Utilization Commission
DBA Riverview Technology Corporation
Minutes of Quarterly Meeting
March 21, 2001**

Attendees:

RTC/JUC: Tilman Bishop, Robert Bray, Bernie Buescher, Bob Elliott, Wade Haerle, Knute Knudson, John Newell, Steve Reimer and Pat Tucker

OTHERS: Thea Chase and Annalisa Pearson of WCBDC

The meeting was convened at 1:10 p.m.

APPROVAL OF MINUTES: The minutes of the January 30, 2001 Annual Meeting were submitted. One correction was made (page 2 paragraph 2); the minutes were approved as corrected.

FINANCIAL REPORT – Thea Chase. The Financial Status as of March 21, 2001 was distributed. The JUC has a current balance of \$10,875.15. This amount does not include a \$5,000.00 balance of the EDC grant. With the grant, the total funds are \$15,875.15. Pending Expenses are \$2,580.10 for WCBDC services in January and February. This leaves an ending balance of \$13,295.05. It was noted that when the WCBDC begins the property management, the monthly charge for services would not be charged but included in property management fees. A motion was passed to accept the Financial Report as presented.

SELECTION OF AUDITOR – FINANCIAL COMMITTEE. The Financial Committee established a checking account. Any two of the four officers can sign on the account. An investment policy for extra funds should be ready before the next quarterly meeting. The selection of an auditor has not been made. The suggestion was made that the JUC get proposals and compare costs. It was noted that the auditor would perform an annual audit; the property management would prepare monthly and quarterly financials.

LEASE WITH WCBDC – Bob Elliot. The lease for the WCBDC is being modified. Dan Wilson is asking the City Council some questions concerning the lease. It should be ready in approximately two weeks.

LEASE WITH ORNL/AIMTECH – Bob Elliot. There is not a lease with Oakridge yet. The charge for leasing the ground only will not provide any real revenues for JUC. Common area fees will have to be modified because they are providing their own janitorial services. It was suggested that a sample ground lease be requested from Bray & Co.

STATUS REPORTS

DOE LEASE – Dan Wilson is still working on it.

DOE GRANT – The grant will be disbursed at closing.

TRANSFER AGREEMENT – The transfer agreement is almost ready.

WATER & SEWER TRANSFER TO CITY – There was discussion about the City taking ownership of the water and sewer lines and the JUC having a maintenance contract paying time and materials for repair. The concern is that if the City does not take over the lines and there is a break, a private contractor may not be able to deal with it. The State Health Department has some institutional controls and the City would be more able to deal with this.

TAX FREE STATUS IRS – No word from Dan Wilson on tax-free status as of yet. Pat Tucker will follow-up with Dan Wilson on the status.

PROPERTY TAX ELIMINATION – Curtis Belcher has informed us that nothing can be done about the property tax until the transfer.

STATUS OF DEEDS – Dan Wilson did not find out if there is more than one deed. However, he did say that there is only one tax certificate.

STATUS OF TRANSFER & DEPARTMENT OF HEALTH – The transfer is still in process.

RAILROAD ACCESS – Pat Tucker requested that Wade Haerle keep track of this.

Tilman Bishop suggested that representatives from the JUC meet with local officials. He believes it is very important to develop these relationships early on. It may give the JUC a way into the Governor's office, which he feels is critical. Robert Bray and Bernie Buescher will follow-up on this.

ELECTRICITY AND GAS – Fred Eggleston of Xcel Energy distributed maps of the DOE compound. The maps identified the different lines and who owned them. The 13.2 KV lines are metered at each building and maintained by Xcel. The 4 KV lines are not metered at the buildings and are customer owned. Xcel is not responsible for maintenance or repair of these lines. The 4 KV system is very old and prone to fail. It is a very dangerous system and parts are difficult to find. The third line identified is the gas line. Building 40 holds the metering system for the gas.

Mr. Eggleston mentioned that once the transfer takes place it will be a violation to have the one main meter because there will be more than one owner (the Army and JUC). Also, the DOE is exempt from performing a yearly leak survey; the JUC will not be. The cost for this would be approximately \$10,000 to set up and then \$3,000 to \$4,000 each year.

One solution is for Xcel to take over the gas lines. Part of the system has been tested for pressure and appears fine. The rest of the system would need to be tested. Since specs are not available on the materials used to build the line, some potholing will need to be done to make sure the materials are up to Xcel's standards.

The costs associated with Xcel taking over the gas system could range from \$15,000 to \$25,000. Some buildings need plumbing work and gas meters would need to be installed on each building. Usually this cost would be charged up front. Updating the electrical system would cost \$130,000 to \$145,000.

There was discussion concerning these costs being capital expenses and not being passed on to the DOE. It could be a billable expense if it is energy management. DOE is aware of this and does not have a problem with it. One suggestion was that Xcel go to a leasing company to acquire the funds for the project and then bill the JUC monthly for energy management. If this

type of arrangement were acceptable it would take 30-45 days for the gas system to go in. An alternative solution to the leasing firm is to go to a local lender. Mr. Eggleston noted that it does not matter to Xcel where the funds come from. Thea Chase noted that without the submetering and keeping the Incubator separate, the monthly payments would be \$5,148 for a three year term (12% interest) and \$3,447 for a five year term (12% interest).

Mr. Eggleston indicated that there would be no negotiating the estimates. Some things may cost a little less but it would not be a substantial difference. However, project costs will not exceed estimates.

The gas and electric work would be done concurrently. Gas disruptions would be one building at a time for approximately four to five hours. There would be no electrical disruption because the changeovers would be done during non-business hours. During the project there will be a lot of equipment and digging on the site. It was suggested that the digging be done before the transfer so that the JUC would not have to develop a safety plan for disturbing the ground. Wastren would handle sampling the ground. The pressure test would be completed and any gas leaks would be repaired.

A motion was made to proceed with getting access before the transfer and to get a proposal on the cost of setting twelve poles before the transfer. The motion was seconded and then withdrawn. A new motion was made to give the Executive Committee authority to accept a proposal from Xcel and enter into contract before the transfer. The motion was seconded and passed. Wade Haerle abstained from the vote.

Bernie Buescher will contact local lenders to see what can be done about financing the project. Bankers will need to talk to Fred Eggleston concerning the project.

Thea Chase mentioned that the Revolving Loan Fund of Mesa County, Inc. has funds at very low rates that might be available for the project.

PROPERTY DISPOSITION – Bob Elliot reported that he and Tilman Bishop had toured the facility to view the personal property. There is not much left and what is left is in poor condition or outdated. After the transfer it can be decided what is worth selling or giving away. There are some items that could be donated to other nonprofits. A motion was made to have the Site Committee donate personal property to other nonprofits. The motion was amended to allow property management to see what could be used before the donations are made. The motion was seconded and passed.

UPDATE INSURANCE FOR SITE – Bernie Buescher reported that in order to get insurance he would need a copy of the lease and date of transfer.

PONDS – FISH AND WILDLIFE PROPOSAL – Tilman Bishop is meeting with Fish and Wildlife representatives on March 12, 2001 at 9:00. There is the possibility that they may lease the ponds. There has also been discussion of using the site for a Tamarask Beetle project.

PROPERTY MANAGEMENT STATUS – Thea Chase. A Memorandum of Understanding has been drafted. WCBDC has sent a notice to the applicants for the Maintenance Technician position asking them to respond if they are still interested in interviewing. There is a mobilization plan and it should take about 45 days to ramp up for property management. The DOE has agreed to give a 45-day notice before transition. Contracts have been drawn up for Subcontractors. WCBDC consulted with Bray & Co., Wastren and Mesa County when drafting the contracts. There are some issues concerning the fire department and janitorial services. Pat Tucker suggested a site management meeting and a meeting was scheduled for April 4, 2001 at 11:00 a.m.

DOE FENCE REQUIREMENTS – The DOE would like to put up security fencing adjacent to buildings 32 and 93A. Thea Chase expressed concern that it could be a problem for access by the fire department. The issue will be discussed at the site management meeting.

NEXT MEETINGS – The next three meetings are tentatively scheduled for June 20, September 19 and December 19.

ADJOURNMENT – The meeting was adjourned at 2:40 p.m.