

Riverview Technology Corporation
Minutes of Regular Quarterly Meeting
May 9, 2003

RTC Members in Attendance: Walid Boumatar, Bernie Buescher, Mike Bussey, J. D. Snodgrass, Janet Terry, Pat Tucker, Jim Widdows
Others Present : Thea Chase, Nancy McKenna, Ken Short (portion of mtg)

Call to Order and Minutes. Bernie Buescher opened the meeting at 12:15 p.m. Minutes from the February 7, 2003 were not distributed prior to the meeting. They were reviewed and approved as written on motion of Janet Terry and seconded by Walid Boumatar. All Board Members voted unanimously to approve the Minutes.

Finance Committee Report.

Financials. Mike Bussey presented the financial statements stating that RTC is extremely liquid. The income statement shows that we are making more than anticipated on investments due to the use of “repurchase agreements.” The budgeted income exceeds expenses year-to-date by \$49K. Pat Tucker questioned why we are quite a bit ahead of budget and should we adjust our numbers at this time. Thea Chase replied it is mostly a matter of timing; completing projects and making expenditures and will be discussed further in the Property Management Committee Report; numbers will even out to projections as projects are completed.

Audit Report. Mike has spoken with Paul Miller; Paul received a copy of the appraisal the first part of April and should have the audit report within the next two weeks.

Real Property Tax Exemption and Valuation. The Property Tax Exemption Application has been submitted to the County and next it will be forwarded to the state of Colorado Review board. Mike feels this process could take anywhere from 6 to 8 months. We have recently received the assessment and the property was way overvalued at more than \$4 million for land and structures. The tax bill could be \$200K. A protest needs to be made as soon as possible (before June 30). RTC’s original appraisal valued the property anywhere from \$830,000 to \$1.3 million.

Bernie listed the steps he felt we should follow to address the property tax problem (1) protest the assessment/valuation, (2) follow the property tax exemption application process, (3) work with Gayle Berry and Ron Teck in the hopes of enacting legislation to be sure the RTC property is real property tax exempt; Bernie asked that Janet Terry assist with this process. Finally, he reminded everyone that the monies expended on this effort (and any taxes that might be payable) are a pass-through to the tenants (DOE and BIC) and would not be payable by the RTC.

Discussion followed regarding hiring an attorney to file the formal protest and how Mike Bussey’s organization would be efficient because of his knowledge of the site and the appeal process. However, there could be a conflict of interest if Mike’s firm is hired to perform this service. Bernie stated that Rich Livingston has recommended that we create and adopt a conflict of interest policy. The question was raised if we already have conflict of interest language in either the Bylaws or Articles of Incorporation. Janet questioned if conflict policies are different for varying entities, i.e., public, private, non-profit, quasi-governmental, etc. Dan Wilson

recommends that we adopt the same policy as the City of Grand Junction's. Janet felt that Rich should meet with Dan to ensure this coverage is appropriate. Mike was questioned about his experience and what fees he would charge for this type of service, afterwards Mike excused himself from the meeting. Questions were raised whether we could charge the tenants for hiring an attorney to protest and could we realistically afford to pay the fee based on an assessment that is so far out of whack. J. D. Snodgrass read from the Bylaws which state in part "...nor shall any director or any member of any director's family receive any compensation or enter into any contract with the non-profit corporation..." This language clearly prevents hiring Mike's firm. Pat suggested that a copy of the appraisal page (showing the values) be sent along with the protest form. Do we need to hire an attorney? Mike rejoined the meeting and was informed that the Bylaws stipulate there shall be no contracts with the non-profit corporation and its board members. After much discussion, it was decided that RTC would request Thea and the Incubator to assist us in filing an appeal, based on the appraisal and stating that our appraisal is available for the Assessor's review. We could put in the numbers from the appraisal in a letter or the protest form itself. Pat made the motion to take this action, Janet seconded and all Board Members voted Aye to approve the motion.

501(c)(3) Status. Mike reported that we have received our 501(c)(3) status.

The motion was made by Walid to accept the Finance Committee Report. Janet seconded the motion and all Board Members voted in favor.

Property Management Committee.

Budget to Actual Reports. Thea led a review of the Property Management financials. We are currently under budget with the DOE. This is caused by several items under maintenance expenses (building supplies, janitorial supplies, maintenance staff, parking lot repair, roof repair, sprinkler system repair) not being done yet or not needing to be done this year. A lot of the variance is due to timing issues. We are experiencing water issues now. Ken recently took out 100 feet of poly pipe in the sprinkler system and found that 24 repairs had been made on that section. Thea stated that under the budget category "utilities," water and gas have exceeded budget. We did not budget for water during the winter because we assumed water would only be going to the buildings instead of into the abyss, so we have a variance there. We are working with the City and on the water conservation project to try and solve the leakage.

Bernie read a letter he received from Eben Greybourne, DOE authorizing the RTC to apply the unexpended first year maintenance funds in the amount of \$44,116 towards the projected second year maintenance shortfall of \$105,000.

Update on Utilities. J. D. reported that the Army still has not taken care of the Army's gas line repair. Bernie reported that the DOE has agreed in concept to pay the anticipated \$135K of \$232K total for the utilities upgrade. The alternative for DOE is to pay Public Service Co. \$5,000 per month for standby service. RTC could finance the upgrade and bill the DOE at a rate of \$5,000 per month to repay their portion (\$135K). We have Energy Impact Grant funds in the amount of \$37,500 to use on this project also. Pat moved to approve this expenditure and go forward with the electrical utility upgrade using RTC's finances for DOE's portion and then DOE would pay RTC back.

If the total expenditure is \$232K, DOE pays \$135K, the Grant funds are \$37,500, then the RTC would be out of pocket \$60K. Discussion followed, and Jim Widdows seconded Pat's motion, all Board Members voted in favor of this action. We need to get the upgrade under contract before June 30th to comply with the Grant and/or get those funds extended.

Water Conservation Grant and Conceptual Plan. J. D. reviewed Ciavonne's landscape concepts which were submitted as part of the grant request; the total landscaping cost is \$326K. Ciavonne's concept took into account the existing trees, gathering spots, and grass. Water usage with this xeriscape plan is much less than we're currently using. It was determined that coordination with the Long Range Planning Committee would be very important in terms of future (building) development. Bernie and J. D. thanked Thea and Nancy for their efforts in completing the grant application in a relatively short period of time. Thea made a presentation on this comprehensive water conservation grant. It will involve the irrigation and domestic water usage, replacing or repairing those systems, the landscaping and installing water saving devices in the buildings. Just by installing water saving devices in the buildings, at an estimated cost of \$9,000, we could save a million gallons of water per year. By discontinuing the use of potable water for irrigation purposes and eliminating the leaks in the system, we estimate we could save 11.14 million gallons of water per year. This project could have a tremendous effect in terms of saving water and money, not only for the RTC, but also for the City of Grand Junction.

Thea stated that one of the next steps is to appear before the City Council and formally ask for their partnership. She has been working with Greg Trainor of Public Utilities and Kelly Arnold the City Manager and they are aware of our intentions and the magnitude of the project. The RTC will be asking the City for \$100K in cash and \$27,830 in kind (possibly to dig the trenches). J. D. stated that the Board needs to ratify the actions that the Property Committee has taken, by submitting the Grant, approve approaching the City to request their partnership and contribution should the grant be awarded, and commit to contributing (\$59K) contingencies as their portion of the project. Pat made the motion to ratify, approve and commit to contribute. Jim Widdows seconded the motion and all Board members voted Aye. Bernie asked the Board to authorize payment to the BIC of \$2,500 for services performed to submit the grant. Mike made the motion to authorize this payment, the motion was seconded by Janet. The Board voted unanimously to take this action.

Discussion followed on the StEPP foundation; a match for the grant is not required. We do not know their source of funds or when the grant might be awarded. Direction was given to staff to gather more information about StEPP and their process before requesting the City Council approval. Janet questioned the source of the City's \$100K contribution as the utilities budget is self-contained, it's paid for by the users. The objective is to get the systems up to date and have the City take ownership of the maintenance.

Thea feels we have a terrific project and if StEPP does not grant our request, what other grant funds are available- possibly the EDA; are there any post-transition grants from the DOE?

Preventative Maintenance Program and Expenses. Ken Short talked about the preventative maintenance plan, originally proposed by WASTREN, and discussed the routine schedule of tasks. He is creating a binder of information available for the Board's review as to what services were performed during the year. Some of the reports are from the performing subcontractors (fire alarms, frigeration, etc.). We are in the process of getting bids for a staged replacement of the air conditioning units. Ken related that all of DOE's requests for repairs and complaints are documented by written work orders and memos. Files are kept chronologically so that we have a trail and can justify repairs if needed. Thea commented that monies had not been set aside for sprinkler repairs, so what was left over from the asphalt project, because we only spot repaired, will be used for sprinklers. Ken reported transformers had failed in Bldg. 810 and are being repaired. Bernie called for a motion to approve the Property Management Committee Report. Jim made the motion and Walid seconded. The Board voted unanimously to approve the Report.

Long Range Planning Committee. In Bonnie Petersen's absence, Bernie reported that she is working with John Schler and his students at the University of Colorado-Boulder to come up with several conceptual ideas on how to utilize the property. The students are studying architecture and engineering and are very excited about our project.

Administrative Items

Bernie stated that he will be contacting Steven Reimer to see if he would like to continue on the Board as he has not attended any meetings. Bonnie and J.D. are soliciting new members, possibly a banker and/or Kerry Youngblood. Jim Widdows will be on the Property Management Committee. Dennis Kirtland has been appointed as the City ex-officio member.

Confidentiality Agreements were distributed to the Board Members and Nancy requested them to sign and return for the file.

Because of scheduling conflicts, it was agreed that the **next quarterly meeting would be held on September 4th versus August 8th.**

There being no further business, the meeting was adjourned.