

**Riverview Technology Corporation
Minutes of Regular Quarterly Meeting
September 15, 2003**

RTC Members in Attendance: Walid Boumatar, Bernie Buescher, Mike Bussey, Dennis King, J. D. Snodgrass, Pat Tucker, Jim Widdows
Others Present: Thea Chase Gilman, Nancy McKenna, Michael Salogga

Call to Order and Minutes. President Bernie Buescher called the meeting to order at 12:15 p.m. The Minutes of May 9, 2003 were approved as written on motion of Walid Boumatar and seconded by Jim Widdows, all Board Members voted in favor of this action.

Finance Committee Report.

Current Financials. Mike Bussey reviewed the Balance Sheet as of July 31, 2003 and stated we are quite liquid at about \$470K. Most of this money is included in a Sweep Account and the concern had been previously raised about balances over \$100K not being insured by the FDIC. These monies will now be invested in repurchase agreements which are government securities and we won't have funds in excess of \$100K in one account at any one time. The Income Statement of 10 months of operating costs shows no surprises. Bernie commented that the Auditors had required us to book the real property at its appraised value as a contributed asset. Mike replied this will be a Balance Sheet adjustment.

Audit Report. Mike distributed the Audit Report which is as of September 30, 2002. This next year's audit should be accomplished much more quickly. Key to note on page 2, as Bernie had mentioned, under Net Assets is contributed property at \$1,083,000. This also shows the payments from Kayenta on their Note Receivable. The Statement of Cash Flow shows where monies came from and what we did with them. Mike feels the Notes to the Financial Statements were pretty standard.

Property Tax Exemption/Valuation. Mike reported that the Mesa County Assessor did reduce our valuation in response to our Property Tax Protest. The new valuation (for both parcels) is \$1,155,620 and the taxes should be about \$23,000. We'll need to think about how we're going to pay those property taxes and how to allocate between buildings and land. About 1/3 of the valuation is for land and the rest is for buildings. We have applied to the State for a Property Tax Exemption but it will still be a couple more months before we know if we can be exempted. Bernie stated that the problem lies in that the property is owned by a non-profit but is not technically used by a non profit. He met with Gail Berry and asked her to consider carrying a very narrowly drawn bill to help us get the exemption. It would contain language that covers the situations of property owned by a nonprofit, in which the members of the board of the non profit are appointed by City and County and the property is leased to another non profit or to the Federal Government, then the property is exempt. The assessment covers the buildings, and the land they sit on, and the tax will be allocated to DOE and BIC. RTC could have to pay \$6K± for land that is not used. Bernie feels we can only allocate the buildings put on the land to the DOE and BIC. Pat feels that the same allocation used for common areas, i.e., parking, and landscaping, should be used on the land to allocate expenses back to DOE and BIC. Discussion

followed on the definition of “premises” in the Leases, the gas-house parcel, common area allocations, and basing square footage numbers on the fence line.

RTC Budget 03-04, Personal Property. Mike reported that the budget for RTC is being finalized and will not be considered by the Board until the Finance Committee has approved it. Thea reported that BIC is still working on disposing of the personal property left to RTC by the DOE. An intern has been selling items on E-bay and has netted about \$1,900. Thea has continued his employment at \$7 per hour to continue selling the personal property. Bernie felt that considering the amount of property left and the time/effort it takes, this is a good decision. It was noted that the Audit is missing personal property income.

Bernie asked for a motion to approve the Finance Committee Report. J. D. Snodgrass made the motion to approve and Pat Tucker seconded the motion. The Board had no further discussion and voted unanimously to approve the report.

Property Management Committee.

Electrical Conversion/Gas Issues: J.D. reported that the gas conversion is still on hold. A meeting was held with Bill Woods of IES on the electrical conversion. The concern the Committee has is how do we administer the project as a group and know what quality we are getting. Bill Woods proposes to charge a \$20,000 fee which would make him the owner’s representative, he would generate the documentation doing budgets and final constructions documents. One piece is the installation, and the second is the demolition of the existing system. The Committee has not met to consider this proposal yet or make recommendation to the Board. Bernie stated that the engineering on this project exceeds our expertise and it seems we should hire an expert to advise us. He made a few calls and found that Bill has good reputation as an excellent engineer. Bernie would like Walid’s and Jim’s opinion as they have the experience. PMC needs to determine if this is appropriate action to take. J. D. related that the maintenance portion is being paid by the DOE at \$5K per month. The transformer portion is \$58,000 and the demolition is estimated at \$40,000. Those amounts have already been approved by the Board and do not include a \$20K consultant fee. The consultant could save us money. Pat feels we should check Bill Woods’ references; Terry Fleming and John Newell recommended him. Thea stated that part of the funds for this project is coming from an Energy Impact grant with requirements that the job must be bid. Thea was successful in extending the \$37,500 Energy Impact Funds to June 2004. Bernie said there is only one company that could do both the demo and hookup, but there’s two or three that could do one piece or the other. There’s value in recycling old equipment. The consultant has provided a proposed timeline. Jim feels this is the right way to approach the project and made the motion that we allocate \$20K to find the right person and authorize the Property Management Committee to make background checks and make the final decision. Pat seconded Jim’s motion and all Board Members voted Aye.

Budgets. J.D. reviewed the RTC PMC budget and directed Members to note the comparison page showing this year’s actuals and the proposed budget. It was determined that we need a budget line item for unscheduled maintenance. Things that inevitably come up which have not been budgeted, like painting, carpet replacement, lead-based paint removal, etc. The Committee’s best guess is \$48,000. Bernie feels this number will be higher if we properly repair and maintain the buildings. Thea and Ken did a walkthrough of DOE’s space and found several

projects needing to be done. Pat Tucker cautioned that we should be aware of the direction DOE is taking—there is no sense in improving a building that could be demolished. We should be careful not to spend money that could be wasted. Discussion followed on DOE's political climate and the likelihood of RTC being informed ahead of time regarding changes that might affect DOE's property usage. J. D. directed the Board to the item of scheduled maintenance, roof repairs which are in process. There are two primary roofs left to be repaired. Budget numbers were discussed and Walid feels that the numbers are too low on gas and electric. Michael said that historical charges were used plus 20%. Public Services had sent a letter indicating an increase of 30-40% would occur and then back-peddled to 20%. Jim questioned DOE's tolerance to increased charges. Bernie detailed his proposed letter to Eben regarding DOE's increased expenses; RTC will be charging them about \$195K more than last year (+ 60K in electrical maintenance). Discussion followed on a second amendment to DOE's lease with regard to base rental rates. Privatization of the lab is currently being rumored. The DOE does not see the financial benefit of the lab, however, TeleDyne sees the value of privatizing this facility. The lab could receive a lot more work with less paperwork, and retain the high-paying jobs in this community. This information should be considered confidential. Thea reported that contamination had been found in the ceiling of Bldg #2 (RAD). Barney Roberts reported this to Ken Short recently. It is DOE's obligation to clean up any contamination. Walid feels we should talk to Public Service to find out what they're planning to charge customers and adjust the budget if warranted. It was decided that a note would be made that we recognize that utility prices are fluctuating and the budget might need to be adjusted, also the budget will not be attached with Eben's letter.

Bernie asked for a motion to approve the proposed 2003-2004 Property Management Budget. Walid made the first and Dennis King seconded the motion to approve. Discussion followed on DOE's base lease rent and it was determined to take out the \$60K for electrical maintenance because it's a special assessment. All Board Members voted Aye to accept the Budget. Bernie called for a motion to approve the Property Management Report. Pat Tucker made the motion and it was seconded by Walid Boumatar. There was no further discussion and all Board Members voted Aye.

Long Range Planning Committee.

In Bonnie's absence, Thea reported that a meeting was held with John Schler and his intern. Their initial drawings were displayed for those interested in viewing. Their concepts were not what we're looking for, but it was a good start. There are wetlands area issues and we should have a discussion with the Riverfront. The building envelopes on the DOE side are questionable. There is also the issue of privatizing the lab, would it be moved or just the fence line? The next meeting is scheduled 10/3 at 11 with John Schler.

Executive Committee.

Bernie reported that we did not receive the StEPP grant. Our need was not as great as others who applied and we were encouraged to apply again next year. We are looking for other sources of grant money to do this water project and could use suggestions. It's going to cost \$1M to save \$20K per year. The least expensive piece of the project is replacing the leaking system which would have the biggest impact on saving water. We need to start at the master meter; unfortunately, new leaks throughout the compound appear all the time.

Administrative Items

Board Member Changes. Bernie will stay on one more year to be Past Chairman. There is one existing opening (Reimer), Mike and John are eligible for another term, Pat's term is expired. Bernie suggests that he, Walid, Bonnie, J. D. and Janet be appointed as the Nominating Committee to choose officers and make recommendations about new members on the Board.

Bernie there is confusion on the tape as to whether these people were appointed or this was referred to the exec comm..

There being no further business, the meeting was adjourned at 1:55 p.m. upon motion of J.D. and seconded by Walid.