

**Riverview Technology Corporation
Minutes of Regular Quarterly Meeting
November 14, 2003**

RTC Members in Attendance: Walid Boumatar, Bernie Buescher, Mike Bussey, Dennis King, Dennis Kirtland, John Newell, Bonnie Petersen, J. D. Snodgrass, Janet Terry, Pat Tucker

Others Present: Thea Chase Gilman, Nancy McKenna

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

Executive Committee

DOE/Stoller Closure of Analytical Lab

Bernie reported that the DOE announced via press release Wednesday afternoon they will close the lab. The unsolicited proposal by Teledyne Brown to privatize was rejected. A meeting was held yesterday with Bernie, Bonnie Petersen, Mike Bussey, Doralyn Genova, Donna Bergman Tabbert, Ray Plienness, Jim Archibald, Tracy Plessinger and Jim Spehar. DOE's proposed new budget includes \$4.5 million for the cleanup of the Moab site. It is very important that anyone with connections call their congressional representatives and urge them to keep that money in the budget. We know that the lab, although producing extremely high quality services, loses about ½ million dollars per year and the DOE has to find ways to cut the budget. Donna Bergman Tabbert is lobbying for us to delay the closure but stated "they came very close to receiving an order to shut down the entire site" last summer. The DOE is focusing on all the negatives aspects of why privatizing the lab will not work. They believe that remediating the site will cost more money in the future and want to do it now. In order to get the lab privatized, a Nuclear Regulatory Permit must be obtained by the recipient of the equipment. We're at a disadvantage not knowing how to get through the Permit process. Bonnie stated that she feels the biggest concern from Wash DC is how to get rid of the building. They can't just sell contaminated equipment, they would have to go through a bid process. One problem is the DOE doesn't have the budget to tear down that building and remediate. The building could be around until the next budget process. Mike raised the question "just how contaminated is the building?" Thea Chase replied that it depends on who you talk to...it appears that the trench is most contaminated. The way the deed was written, the building must be torn down and taken off to a disposal site. Janet Terry said so much of this privatization discussion sounds familiar; we should have documentation in our files from the last time this occurred. Bernie said we offered to allow the DOE to defer remediation of the building as long as the lab keeps operating. Bernie has talked to other labs (Los Alamos, Las Animas and Rocky Flats) and was told this is the best lab in the US to get samples done. Jim Archibald stated that keeping people busy in the lab hasn't occurred; they're not receiving enough samples, and therefore it isn't making money. Personnel at the aforementioned labs are writing letters to Jessie Robeson saying that it would be a disaster if this lab is closed. Bernie stated that the contract between Teledyne Brown and Stoller provides that Teledyne Brown gets 8.5% of the gross revenues of Stoller for the next five years. For Teledyne, if the lab closes, they still get 8.5% and they would have no expenses, so it's better for them to close the lab than privatize. Walid said we need other viable operators besides Teledyne for the

privatization. If we were to obtain the equipment and an operator, would we develop a 10-12K sq ft building and open it up? It would be a very expensive project. Walid is concerned that we are just applying a band-aid, the DOE tried to close the lab a few years ago, if we get them to keep it open now, how long will that last? We need a long-term solution. J. D. Snodgrass is concerned about Federal regulations and use of the equipment; do we need to hire a consultant to guide us through this process? Bob Elliott and Tim Carlson worked with the privatization company the last time and could offer us guidance. Bernie is going on vacation until December 8th and there needs to be a spokesperson in his absence. Janet feels we should research our records and find the files dealing with the last closure. Discussion followed on who is knowledgeable and has the time to deal with these issues in Bernie's absence. J.D., Bonnie and Mike are the Executive Committee, possibly Robert Bray could help us. Bernie suggested the Board adopt a resolution today authorizing some expenditure of funds for the Executive Committee and Thea to find a professional to give us advice. We need to find a lobbyist/liaison who works with DOE to understand the rules and regs, and a specialist in privatization. Possible advisors could be Cooper Wyman and Gerome Gonzales. Janet raised the question if we are pursuing privatization despite what the DOE does? Pat Tucker wondered if closing the lab is just the beginning, will they close the whole site and what is our plan if they do? Thea feels the lab is an asset to the community and privatizing it without the DOE would be a good service.

To summarize, (1) Bernie will call Bob Elliott and Tim Carlson for information about the last closure go round; (2) Thea will contact Cooper Wyman and Gerome Gonzales to see if they know what it would take to privatize the lab and if they have the experience to help us acquire the equipment and understand the liabilities.

Given the nature of this issue, it was felt that another meeting should be held in December and not wait for the February quarterly. Pat feels the most critical issue is to get the DOE to delay the closure, give us an extension, maybe till the first of April, to work through the process. Janet said the burden is on us to research our next steps, but we need to remind the DOE that if the lab is closed, the burden is on them to clean up the building. Another Board meeting was scheduled for December 12th at noon.

(3) Bernie will call Donna Bergman Tabbert and ask her to figure out how to delay the closure – how much delay should we ask for? Thea thinks Cooper or Gerome might have an idea how long it will take to get through the privatization process. A concern is that the lab employees are already looking for other jobs and putting their houses up for sale. (4) Nancy McKenna will check archived files for history on this issue.

Finance Committee Report.

Current Financials

Mike presented financial statements, we have about \$476K in cash right now. Our buildings have been booked at fair market value including land, buildings and equipment at \$1,087,679 with total assets \$1.7 million. Our liabilities are currently about \$78K. Money was moved from the bank into security agreements so we don't have more than \$100K in one account due to the FDIC insured issue. We do have a receivable that hasn't been audited, the DOE owes us \$64K; last year we owed them \$47K. We will collect the net of that in a couple months.

Property Tax Exemption/Valuation

The State has requested more information from us on our exemption application. We have a deadline of November 24 to respond. The State stipulates that if you are a 501(c)(3) and collect rent from another non-profit, then you are "for profit." Mike feels the only way we'll get tax relief is through legislation. Bernie met with Gail Berry and Ron Teck and they will draft a bill to exempt non-profit corporations in which the board of directors is composed of individuals appointed by cities and counties. Our exposure for tax liability is roughly \$24K. Some of this can be passed on because it's in the buildings, but RTC is anticipating paying the rest (land).

RTC Budget 03-04

Mike presented the 2003-04 Budget. Monies anticipated include \$240K for replacement of the electrical system. Discussion followed on the timing of expenditures, improvements, and the contract with IES. Thea said that significant increases in this year's Property Management Budget over last year's include \$6,200 for irrigation system maintenance, \$16K in property taxes, \$4,800 in unscheduled maintenance, like paint and carpet replacement, \$18K increase in gas and \$19K increase in water repairs due to leaks. Nancy was directed to get copies of this budget approved at the last meeting, as well as copies of the Miller Stranger Audit, to all who did not attend.

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

Property Management Committee.

Budget to Actual Reports

J.D. presented the Property Management Report for the 12 months ending September 30. We are exceptionally close in terms of actual compared to budget. Thea stated that more work will be done on roofs next April, but critical roof repairs are now complete. Certain repairs and upgrades have to be made as they present safety hazards.

Electrical Conversion/Gas Issues

J.D. reported that the gas project is starting up and it looks like we will be on the lower end of the estimate. The estimate was between \$27K and \$220K. The upgrade was supposed to be completed by the Army in July of 2002.

Bernie asked for a motion to approve the proposed Budget to Actual Property Management Report. Walid Boumatar made the first and John Newell seconded the motion to approve. There was no further discussion and all Board Members voted Aye.

Long Range Planning Committee.

Bonnie recently met with John Schler, the architectural intern and invited stakeholders. She presented drawings representing their scenarios. To the north are wetlands, maybe this could be used by the Riverfront Commission or a park, some type of public use. The DOE portion is overlooked at this point since they are supposedly here for a few years. The architect developed a potential 12,000 sq ft manufacturing building and parking places in the Incubator portion. The last area is the boneyard that could be used for additional buildings. Do we split or subdivide the

land and sell or maintain ownership and just lease land or buildings? There are many questions to be answered. Obviously annexation is big issue to the Incubator as it limits its ability to lend CDBG monies and receive infrastructure grants. Janet stated that from her experience on this Board, there has never been any discussion during the course of this transition that this it was intended for the public good, i.e., a park, that is a real misconception. This transition was for job creation and economic development. Any transfer of ownership or redevelopment would require approval by the City and County. Thea said the Colorado Bureau of Investigation or another government entity that desires seclusion could build on the land or add a lab. A critical first question is will the RTC lease or sell? After much discussion, long-range planning was put on hold until a later date. Pat doesn't feel we need a long-range plan to address BIC's need to build a 12K sq ft manufacturing building. They have lost opportunities because there is no plan. We need more definitive answers in terms of what triggers annexation--can we convert into condominiums? We don't want to compete with the private sector, but want to enhance the economy of the community.

Adjournment.

There being no further business, the meeting was adjourned at 2:10 p.m.