

MINUTES

Riverview Technology Corporation
Regular Quarterly Board of Directors Meeting
November 2, 2007

Members Present: Dale Beede, Dennis King, Bruce Milyard, Bonnie Petersen, Dick Pryor, J. D. Snodgrass
Others Present: Nancy McKenna, Mary Orn, Chris Reddin, Ex Officios Rich Emerson and Craig Meis

Call to Order & Minutes:

Bonnie Petersen called the meeting to order at 12:10 p.m. She asked for a motion to approve the Minutes from the Regular Quarterly August 17, 2007 Meeting and the Special Budget Meeting of September 21, 2007. Dennis King made a motion to approve the Minutes as written from both meetings and Dick Pryor seconded his motion. There was no further discussion; the Board voted unanimously to approve the August 17 and September 21, 2007 Minutes.

Property Management:

Financial Statements – In Dean DiDario's absence, Chris Reddin, BIC Executive Director, reviewed the Financial Statements for the 12 months ending September 30, 2007. The DOE Expenses budget came in \$12K under projections. Items of note include spending the budgeted unscheduled maintenance funds; \$39K for ceiling tiles and demo in Bldg. 810. An adjustment was made to property tax expenses to reflect the charge to DOE. Common Area Maintenance came in \$27K under budget, partly due to \$20K in reduced natural gas costs and a reduced insurance premium. Utilities also came in below projections, with the exception of water. The final billing through 9/30/07 was received from the City. Greg Stephen in Accounting had accrued \$18K, however, the City billed us \$30K; \$12K above projections. Chris noted that the bills go up dramatically during irrigation season. One would assume that if we had a big leak, we'd have a big wet spot. Mary Orn reported that Ken Short found a substantial leak last week near the trailers that DOE previously used for storage (Bldg. 61). She is looking for a water leak survey that was done a few years ago and mentioned in the Master Plan documentation. Bonnie questioned if the \$30K is due to a billing/timing issues with the City? Chris stated that Greg is confident the billing is complete and conclusive. Bonnie asked Chris to ensure with Greg that RTC bills DOE for everything that is due for the year end. Discussion followed on the water wastage and plans to determine the leakage and reduce costs. Mary and Bonnie both indicated that Greg Trainor of the City offered to assist us with a review of the site's water system and situation. Bonnie reiterated that it is a priority to quit using City water for irrigation and hopefully get this resolved before Spring. Dick Pryor stated that for \$30K per year, we could put in an entirely new water system rather than work with the old leaky one. The question was raised about City representation at our Board Meetings. Gregg Palmer had indicated to Mary that representation at this point is ad hoc; no one in particular is currently assigned to attend. Bruce Milyard feels this doesn't give us continuity. Bonnie will contact Mayor Doody to see if someone has been assigned. Chris summarized the year's expenses and revenues. The final billing to DOE for the 4th quarter is \$68,138 and this ends the

former contract. The new contract with DOE begins 10/1/07 and under the new lease, DOE will pay an annual amount of \$681K. Bonnie entertained a motion to approve the Property Management Financials. Dale Beede made the motion and Dennis King seconded the approval. All Board Members voted AYE.

Corporate:

Financial Statements – Handouts included the Corporate Financial Statements ending September 30, 2007 with Accountant Greg Stephen's cover memo summation. Mary asked the Board to review his summary and ask questions. J. D. Snodgrass asked if we'd received DOE's payment due 11/2/07. Mary said no, they haven't been billed yet and she will work with Greg to get the new billing cycles in place. Since this is the end of their lease and not just the end of the fiscal year billing, we have only one chance to submit all costs and need to be sure of that final number. Also, RTC can expect an audit from DOE since it's the end of a contract term. Dick wondered where the land, buildings & equipment figure came from; it is based on the old 1999 site appraisal. The new appraisal done just a couple months ago came in at \$2.2M. Mary was directed to ask Dennis Wagner if this figure should be changed to reflect the new appraisal. Bonnie asked for a motion to approve the Corporate Financial Statements as presented. J. D. Snodgrass made the motion and Bruce Milyard seconded. All Board Members voted unanimously to approve.

DOE Improvement Project Status:

Mary handed out the final draft, revision 14, of the Project Schedule. The estimated project completion date is 10/2/08. RTC has not received a written time extension yet. The local DOE people are convinced that giving us an extension to perform the work only in unoccupied areas is paramount and are confident they will get that extension from headquarters. DOE is aware that if the extension is not received soon, construction will be started in occupied areas. DOE's concern about the coolers performance has caused some delay, however an analysis of efficiency is in the works. The employees of Bldg. 810 North will be moved to Bldg. 12, the work will be performed, the space will be aired out, then they will be moved back in. Then the employees of Bldg. 938 West Wing will be moved to Bldg. 12 and so on. Asbestos testing was performed and lead-based paint and asbestos was found in or on the walls in each restroom. Discussion followed on the responsibility of removal. Mary stated that the quitclaim deed specifies the hazardous waste, under Bldgs. 20 and 12 and in the pond, will always remain the responsibility of DOE, however, DOE acknowledged the presence of lead-based paint and asbestos and apparently passed cleanup responsibility onto RTC. Mary will be seeking other, legal opinions regarding this issue. Estimates from Walsh Environmental Scientists & Engineers are \$2K for testing, \$10K for the creation of an asbestos abatement plan and oversight of the work, and \$50K for an asbestos abatement company to come in and actually do the work. Mary is looking for funding sources for this \$72K. Bonnie asked Craig Meis if RTC could use UMTRA funds for this cleanup. Discussion followed and Mary was directed to get in touch with Bernie Buescher to enlist his support. Mary advised that she is working with ICS, FCI and BIC to resolve differences between original estimates and the current contractors' estimates. DOE has asked RTC to estimate and provide a proposal for doing a few additional things. One is

a cooling analysis for Bldg. 32. Also, since new carpet and paint will improve Bldgs. 810 and 938, DOE wants new window coverings too. DOE will pay for additional work; we will not amend the lease rate or project costs. Discussion followed on the cooler analysis, Nancy McKenna will work with Ken to create a report for DOE. The new cooling units were ordered last week because of an upcoming 10% increase in costs, plus 1-2 month delay in delivery. Mountain West Plumbing has agreed to exchange motors if we need more or less HP. Mary said once the analysis is done, and Ken finds the cooler efficiency chart, the vendor will come out and meet with DOE to assure them of the cooler performance. Mary will then work to rewrite the appropriate section in the lease changing language to cooling w/evaporative coolers and heating with boilers instead of the existing language with states central conditioned air and forced air.

Leasing Bldgs:

Mary advised the Board that Bray Realty continues to look for the appropriate and unique tenant for Bldg. 46 unique lab space. There has been some interest but no takers yet. Bldg. 12 will be vacated once the DOE project is over, around September of next year. Bray will market that space at that time.

Property Valuation:

Nancy reported that she and Mary have been meeting with Reed Orr of the Mesa County Assessor's office. They did not have accurate measurements of the buildings and had not divided up the property correctly in terms of taxable and non-taxable. RTC had protested the original valuation of \$3M and it was reduced to \$1.5M. The Assessor's office recalculated the valuation with accurate information and raised the valuation to \$2.2M. Our payment for this year and next is based on the \$1.5M valuation. In 2009 RTC will need to be prepared to pay more in taxes and further protest the valuation. Mary stated that the new lease calls for DOE to pay actual real property taxes; 9 cents per SF was budgeted, but the new figure will be 41 cents per SF. This is also the figure to be charged any new tenants.

Potential New Board Members:

Bonnie is contacting Jim Fleming, J. D. is contacting Susan Holappa and Thea is contacting Jerome Gonzales. Discussion followed on these candidates. Robert Zentner, an attorney, was recommended by Dick and he will pursue this contact if any of those three decline.

Dennis Wagner will continue another term, Walid Bou-Matar, J. D. Snodgrass and Bonnie Petersen are term limited. With Bonnie leaving, Dennis King will become President. Next year's meeting schedule is February 1, May 2, August 1 and November 7. Executive Committee meetings will not be held as frequently as in the past year.

There being no further business, Bonnie thanked everyone for their participation and the meeting was adjourned at 1:25 p.m.