

MINUTES
Riverview Technology Corporation
Quarterly Board of Directors Meeting
August 1, 2008

Members Present: Dale Beede, Thea Chase, Jerome Gonzales, Dennis Hill, Bruce Milyard, Bonnie Petersen, Dick Pryor, Dennis Wagner, Jim Widdows, Ex Officios Jim Doody, Chris Reddin

Others Present: Dean DiDario, Nancy McKenna, Mary Orn

Call to Order & Minutes Approval:

In President Dennis King's absence, Vice President, Thea Chase convened the meeting at 12:15 p.m. Introductions were exchanged with the Board and Jim Doody, RTC's newly designated Ex Officio for the City of Grand Junction. Thea asked for a motion to approve the Minutes of May 2, 2008. Jim Widdows made the motion to approve the Minutes as written and Dale Beede seconded the motion. All Directors voted in favor of this action.

DOE Improvement Project:

Status Update – Mary Orn presented Dave Detwiler's monthly status report announcing that the last section of the project is underway in Bldg. 810 South. The good news is we're about two weeks ahead of schedule. We will complete the critical path which is based on the ADA bathrooms. Unfortunately, we can't move everyone back in because the 16 DOE employees have ordered new furniture and the current estimated delivery date is mid-September. We will expedite the move-ins on the first floor and that portion of the second floor not associated with DOE personnel. Once furniture arrives, we'll move DOE back in. There will be no additional cost impact as RTC will not pay a fee to BIC during the delay period. DOE is pleased with the renovations and our performance. The swamp coolers are working well, especially those with the large celdex pads. The asphalt company did not perform on the parking lots and we have had to hire another company to finish. We are estimating that overall we will be \$1K under budget. FCI was able to not spend all of their contingencies and with BIC's subcontractors selection, we were also able to save some money. Over budget items were all decisions made by the Property Management Committee and Team as we went through the project. An example is the carpet on the 2nd floor of 810 South. This carpet would not physically come up and there was asbestos underneath it. The PMC made the decision to cover the carpet which was an additional cost of about \$15K. Also, we agreed to paint extra things for DOE and do some texturing on their wall paneling. Thea asked if there was interest for the Board to take a tour of the DOE renovations at the next Board meeting and everyone agreed it would be a good idea.

Mary informed the Board that new bank loan documents have been executed according to direction from the last Board Meeting in May. The new loan is at prime for the construction period and will then go up to 7.67% when the construction is done. Our construction contract with DOE puts the construction drop dead date at 10/31/08.

Property Management:

It was announced that Dick Pryor will assume the position of Chair of the PMC; Dale Beede will continue as a member.

Financial Statements – Dean DiDario presented the nine month Financial Statements. Under DOE, expenses are \$16,300 under budget or 6.8% below projections. This is mainly because of the janitorial contract coming in with a fixed price lower than originally budgeted, and landscaping and maintenance staff costs. We are over budget by about \$1,900 in repairs, electrical and mechanical; this includes some building maintenance supplies. There were three heat pumps that quit working, and there've been lights and ballasts to replace. Overall, Dean feels we should be at or under budget for the year. Categories that will be over budget include utilities; we are paying 75% higher rates than anticipated for electricity and 125% higher rates for natural gas. There could be some utilities savings in the future due to the improvements, such as double pane windows plus coverings, more efficient coolers, etc. On the CAM Financials, we are 2.6% over budget. This is due to auto expenses (gasoline) and significantly higher property taxes.

Discussion followed on property taxes and whether they would increase based on the new improvements. Dale introduced the idea of setting monies aside in a “sinking fund” to cover inevitable building repairs as it applies to reportable expenses to the Mesa County Assessor in determining our taxes. Dennis Wagner said we should develop a methodology governing the amount of money to be set aside for building repairs and will look at some depreciation values on our buildings and equipment in this regard. Thea asked that a recommendation regarding the sinking fund concept be presented at the next Executive Committee/Board Meeting.

Dean reported the Utilities Financial Statement shows we are about 16% or \$2600 under budget. All categories are under budget with the exception of shared utility repair which is about \$3,300 over budget. Water is significantly under budget for the first time ever. Leaks have been fixed, the City reduced our rates, plus the PRV valves were installed. The Property Management Committee is looking to stop watering in certain areas, with the idea of replacing grass with rock or xeriscape. The shared utility repair category will continue to be over budget as we fixed more leaks in July and had to repair a fire hydrant. Overall Dean feels we should be at or a little over budget for the year and asked for questions. Jim Widdows said the PMC has been discussing reducing water the grass areas, as the old poly pipe will continue to break, there have been leaks every year and fixing leaks doesn't solve the big problem.

Ratification for Auction Expenditure – Dean informed the Board that the haz mat trailers were sold at auction with net proceeds to RTC of \$6,040. RTC had to put up \$2,000 for advertising costs for the auction and this amount was not included in the budget. So procedurally, we need a vote to ratify this expenditure. The money did not have to be laid out, because the net proceeds covered the cost. Dale Beede made a motion to ratify this expenditure and Jim Widdows seconded, the motion carried.

Test Pits Lease – Mary updated the Board on the status of this lease. Bill Montana, DOE's Realty Officer in Las Vegas, asked to change the almost final lease by deleting the language that DOE would indemnify RTC and hold us harmless for any activities in the test pit area. DOE can't indemnify based on the Anti-Deficiency Act which states Federal agencies can't assume a potential liability without budget funds approved for that purpose by Congress. Mary has talked with our insurance carrier, Jamie Lummis, and indeed the land is covered under our policy. He recommended we get signs surrounding the area as there are several blind spots; Dean is getting signage quotes. It is proposed that if the signage is \$200 we'll spend the money, if it's \$2,000, we'll add to the lease. The solution to this indemnification issue is a new form designed by Stoller that the test pit users will sign which includes hold harmless language for DOE, its contractors, and the landowner (RTC). Hopefully DOE will approve those forms and we'll reference the test pit users' requirement to sign the forms in the lease agreement. If additional insurance costs are incurred, we will pass them on to DOE. Chris Reddin asked how will Stoller get test users to comply and Mary responded that each test pit cap is locked; users have to stop in to get the keys and at that time, they will sign the forms.

Jim Widdows reported that there has been discussion regarding the parking lot across the railroad tracks that we lease from the railroad at a cost \$8K per year. There is enough parking on this side of the tracks to satisfy the lease. Thea stated that we have to lease the walkways too. The railroad lease says the land has to be restored to its original state if abandoned, however, "original" is not defined. Can we get rid of that lease to save the dollars? Bonnie questioned if there is a possibility DOE would have a need for that parking lot if there's another terrorist attack. Mary said DOE is aware that the parking will not be available to them when the renovations are done. Dean added that BIC did not have to return the area to its original state when it abandoned a portion of their lease. The parking lot issue, as well as the water/xeriscape issue, are both being turned over to the Long Range Planning Committee for review and follow-up.

Corporate:

Financial Statements –Dennis Wagner went over the summary page provided by Accountant Greg Stephen. The Balance Sheet as of June 30, shows we've got about \$1.1M in liquid assets. Under Work in Progress on the DOE project account, we're also at about \$1.1M in costs. We have a note payable close to \$900K in borrowings on that construction project.

Energy Expo Profits – The Balance Sheet currently shows a liability of \$12,500 payable to the Energy Expo, this is made up of RTC seed money, plus profits. In the past we have counted this as revenue, the auditors moved it to liability. Also, an additional \$5K just came in from the last Expo. It is the Executive Committee's thinking that this is indeed revenue and would like the ability to use the \$17,500 for energy related, renewable type projects. Bonnie reported that the Energy Expo is setting up its own legal entity to continue the Expo. This money will be in a "Board Designated Category" to potentially jump start a company that is involved with sustainable, renewable energy, or it could be used for xeriscaping, etc. The Executive Committee is making the motion

to move this money from liabilities to revenues in a Board Designated Category. Jim Widdows seconded this motion and all Board Members voted AYE.

Thea asked for a motion to approve both the Property Management and Corporate Financial Statements. Jim Widdows so moved, Dennis Hill seconded and the motion carried.

LRP/MP Committee Report:

SOW/Feasibility Study Status. Dennis Wagner talked about the last LRP meeting where discussion centered around the possibility of transitioning this property over to BIC. What steps are next? Most importantly is to look at BIC's ability to support the overall facility and finance the expansion of their facility. Chris Reddin has drafted a Scope of Work, a new business development plan for the site. There are three parts. (1) is the economic development (ED) component - what does this valley need to grow new businesses and what are new opportunities for BIC; (2) based on the findings to #1, where to go after that and how can we use the existing master plan; and (3) is fundraising. Chris asked for comments on her document.

Chris stated that she will be enlisting support from the Economic Development Partners group at a meeting on September 12. Debbie Kovalik is now in charge of ED for the City. Discussion followed on duplication of efforts by RTC and BIC during the study's 7 month time frame, and whether RTC's Master Plan work should be put on hold (except for the railroad and water issues). Jerome Gonzales is looking at Bldg. 46 to see what it could become, thereby shifting the property from RTC to BIC.

Dale Beede stated that RTC would be turning over some newly remodeled property to BIC and the income is stabilized on a portion of the property. Jim Widdows said that RTC would turn over liquid assets of \$1M in assets that could be used for the debt service. Chris stated that if DOE stays in their lease for 10 years, that money could be used for some other project. It was generally agreed that BIC should not have to assume any liability with this transition. Steps need to be taken to determine if RTC can legally assign liabilities and assets to BIC.

Chris has been looking into ways to pay for the feasibility study and found that the State EDC has the ability to fund half the cost, total projected at \$100K, with matching monies. It was not clear whether the match is all cash of some in-kind. Bill Sisson is in charge of this decision at the State level and Chris will attend a November meeting with the EDC to see if BIC can obtain the \$50K.

The RTC has met with the City and County regarding the transition and has their agreement. Continuing to get their buy-in during the stages of the Feasibility Study will be important. Thea informed the Board that Jerome has expressed interest in performing the feasibility study for BIC at cost and questions if there is a conflict of interest. After discussion, it was decided that if the contract was with BIC and not a joint project with RTC, it would not be a conflict of interest. "RTC" should be taken out of Chris' draft SOW document.

Executive Committee:

Bonnie informed the group that Thea plans to resign from the Board in February after her first year. The Executive Committee is proposing that a letter be written to Tim Foster asking him to personally request Thea to stay with the Board, at least through her full term as her institutional knowledge is very valuable to us. Dennis Wagner made the first, Jim Widdows seconded the motion and all Members voted AYE. Bonnie and Mary will draft this letter for the Executive Committee.

Thea advised that it has been an informal practice to include the Past President on the Executive Committee to contribute institutional knowledge although this position is not included in the Bylaws. Bonnie will continue in this capacity without voting or check signing rights. Dale Beede stated that he intends to resign when his term is up as he has too many time commitments; he'll keep seat on PMC until then.

**Transcriber's note, Dale Beede's term is up February 2010. Last terms with no "re-up" in February 2009 include Bonnie, Jim Widdows and Dennis King.*

Auditor Selection –Greg Stephen sent out an RFP for a three-year contract for auditing services and received three proposals. His recommendation is to contract with AD Saito, a sole practitioner. Jim Widdows made the motion to approve this selection, Dick Pryor seconded and the motion carried.

Adjournment:

There being no further business the meeting was adjourned at 1:35 p.m.

The next Board Meeting is November 7, 2008