

**Riverview Technology Corporation
Board of Directors Regular Quarterly Meeting
May 9, 2011**

Location: 2591 Legacy Way, Grand Junction, CO

Members Present: Susan Corle, Jim Fleming, Tim Hatten, Chris Launer,
Janet Terry, Pat Tucker

Others Present: Nancy McKenna, Chris Reddin, Ken Short

Call to Order/Minutes: Chris Launer opened the Meeting at 9:00 a.m. Due to technical difficulties, the meeting could not be recorded. Chris Launer asked for comments on the Minutes from the Annual Board Meeting of February 2, 2011. Jim Fleming made a motion to approve the Minutes as written, Pat Tucker seconded, and all members voted AYE.

Financial: Audit - Copies of the audit were sent out with the Board packet and hard copies distributed at the meeting. Chris Reddin reported that AD Saito had performed the audit. The biggest challenge in completing the audit was combining the corporate and property management financial statements. The Property Management bank account still needs to be reconciled and Dennis Wagner and Greg Stephen are working on this. Overall, the audit went smoothly and there are no material discrepancies to report. Chris Reddin reminded the Board to keep in mind the services that Dennis Wagner provides to RTC. He is instrumental in reviewing the bank activities and corporate and property management accounts. Dennis' term has expired but he will remain on the board until a replacement is recruited. The creation of new financial statements has been a great deal of work for him and Greg, but in the long run, they will be easier to understand. DOE pays a fixed rent plus expenses. Susan Corle questioned why RTC has money in non FDIC insured accounts. US Bank made it a requirement when we applied for and were granted the DOE renovation loan that RTC move and maintain all bank accounts with them. All accounts are insured as a requirement of the Investment Policy. The Sweep account is secured by the Treasury. Susan Corle made a motion to accept the 2010 audit, Tim Hatten seconded her motion and all members voted AYE.

Financial Statements - Greg Stephen has written a detail report covering the first 6 months of the fiscal year. Chris Reddin reported that overall RTC is looking very strong, ahead of budget. There's about \$54K in the Reserve Repair Fund; if it's not spent on fixing broken things during the year, it'll be spent on preventative maintenance. As usual, utilities need to be watched closely; right now expenses are close to budget. An energy audit was done on the site 2 years ago by a private company. It is RTC's goal to convert more into green products and services, solar, etc., in the long run. Ken Short stated that the T12 lights could be switched out to T8, they use less wattage and the light output would be better. XCEL Energy has increased rebates by 50%, so it is planned to replace the lights in Bldgs. 32, 810 and 2. Since the rebates will be gone at the end of the year, it's best to do this soon. It is calculated that payback of the expenses will occur in three years. Pat Tucker asked if RTC's income is going up because of the Bldg. 2 lease. Chris Reddin responded yes, as of April 1st, Bldg. 2 is

costing DOE \$10.18 per SF. It was suggested that these extra monies be put into a capital improvement fund so it can be spent on the property.

Property Tax Valuation - A copy of the Valuation sent by Mesa County is included in the Board packet and Chris Reddin informed the Board that \$1.2M is the new valuation. This is a drop from \$1.5M. There is no need to protest as this is a 20% decrease.

General: *LEED Gold Building Update.* Chris Reddin met with Liz Wyler, Riney Wilbur, Laura Kilpatrick and Bill Teer last Thursday. RTC was told that because of government funding concerns, certain funds have to be allocated if DOE goes into a LGB. DOE is willing to do a 15 year lease with the ability to add 5 years, with a 120-day out clause. The current lease contains a penalty clause if the lease is cancelled early. The penalty clause is not an option for the new LGB as DOE can only allocate funds one year at a time and they would not be able to set aside the penalty amount in addition to the one year allocation.

Committees: *Property Management* - Chris Reddin asked that Board Members attend the monthly meetings with her as many issues have arisen that need decisions and action. The DOE is pushing hard in terms of property management issues. Pat Tucker said she and Chris Launer would like to attend. The monthly meetings are held on the first Thursday of every month at 1 pm. The purpose of the meetings is to go over property management work orders and open issues, LGB, lease negotiations, etc. Communications between RTC and DOE are getting better by having these meetings, but they are difficult. Chris Reddin will send out an email to Board Members to determine who can/will attend. She will also inform DOE of Board attendance. Janet Terry asked Chris Reddin for copies of past meeting minutes so she could be apprised of past issues and actions.

Chris Reddin reported that apparently part of the contract renegotiation with Stoller is for them to design a new green building for the 20 DOE employees. This new design and their proposal are due by September.

A new site manager is now on site: David Shafer who is from Las Vegas. His official title is Team Leader and he will also oversee site management. Tom Pauling, located in DC, is still the Director of Site Operations at this site and Morgantown. The DOE Relations Committee needs to meet with David Shafer; he's been on site about 1 week.

Chris Reddin reported that DOE has offered for RTC to set new lease rates for the new October 2012 lease negotiations. She has been working with a spreadsheet of issues that DOE has stated they want addressed. These issues are mostly about heating/cooling and snow removal. DOE wants less fluctuation with the office temperatures. What RTC is looking at to possibly improve the temperature situation is 2 to 3 new boilers. Pat Tucker says XCEL energy is offering boiler rebates. Also on the list of improvements are new sheds, updating roofs, an inventory of spare parts, upgrades to lighting and siding. It was agreed that costs for these improvements should be gathered

and rolled into the new lease rate - proposal due in August. Pat Tucker also recommends that XCEL do a current energy audit, there is no charge for this service.

The spreadsheet of open issues that DOE has given to property management is reviewed every month and Chris Reddin feels RTC is making good progress. Chris Launer commented that DOE, like any other tenant, doesn't think their requests are unreasonable. The question is whether DOE is willing to pay for upgrades; it's a math exercise. When DOE owned and managed the site, there were 16 maintenance workers, with RTC as landlord, there are two. Because there are only two maintenance staff, Ken Short has a list of contractors that can be called if he or Cole Aldridge are not on site.

Jim Fleming, as Chair of the Property Management Committee reported that \$3K has been allocated to buy spare parts for the pumps. There have been problems/failures with the pumps in the past. Property management is implementing solutions. Heat was originally provided by steam, then hot water boilers to hot baseboards. The underground line broke last year and again this year. If a new boiler is put in Bldg. 810, RTC would have to retrench which would be difficult but possible. In the long run, it would save money to install a new boiler.

Ken Short has received a quote of \$5,500 for a new shed that will replace two old junky sheds. Jim Fleming made a motion to purchase the new shed, Janet Terry seconded and the motion carried unanimously. The new work order software is helping to track problems and work completed, but the software has bugs that need to be worked out.

FINE – Chris Reddin described a situation that took place on March 21st. The temperatures were going up and down and when Staff did their walk-through, they determined it was cold and put out space heaters. Unfortunately, the system had been off for 4 days and we didn't realize it. At 8:30 a.m. DOE called Ken Short who reset the system; the building was up and reheated by mid morning. DOE was very upset about this incident and notified us in the April meeting that they would fine RTC \$250 to cover Riney Wilbur's time dealing with this issue. Since DOE can't actually bill RTC for the fine, they asked RTC to forgive a bill for \$200. Chris Reddin inquired if this was a one-time fine and DOE indicated that anytime RTC/property management shows a "lack of judgment" they would impose a fine. On April 25th another problem arose with heat when a coupler on a pump went out. DOE wants RTC to maintain these buildings to a commercial standard and Chris Reddin feels they are being unrealistic. Chris Launer said as a tenant, it's frustrating to pay for annual maintenance on things when systems don't work and response time seems slow. These buildings are old and the systems antiquated and RTC is doing it's best to fix things but we have to have some empathy for the tenants. Chris Launer asked if we are providing a decent level of service or not. If we think we are providing the best we can, then we need to tell DOE that and be prepared for them to leave. Either meet their needs or let them know we can't. It is important to not set a precedent by paying these imposed fines. Discussions with DOE should be held to find out if we can meet their needs or if we need to raise the rates to perform certain tasks or improvements to meet their needs. RTC could address all of these issues in

the upcoming August proposal. The lease contains a clause that if RTC is unable to respond to a property management issue and the tenant has to hire a contractor (plumber, electrician, etc.), the landlord will reimburse the tenant for those expenditures; fines by the tenant to the landlord are not addressed in the lease. It was agreed that board member participation at the next meeting would include discussions as to how the landlord and tenant can work together on property management issues.

The *DOE Relations Committee* has not taken any action waiting for the new site person to be established.

The Board is having discussions with Donna Bergman Taggert to possibly be a new board member when there is a vacancy. Donna's DOE background would be a great asset to the Board and she is considering this offering.

The *Bylaws Revision Committee* has not taken any action.

Adjournment: There being no further business, the meeting was adjourned at 10:35 a.m.