

**MINUTES OF THE REGULAR MEETING OF THE
ROCKY MOUNTAIN LOW-LEVEL RADIOACTIVE WASTE BOARD**

DENVER MARRIOTT TECH CENTER

4900 South Syracuse Street

Denver, Colorado 80237

September 14, 2010

ATTENDANTS

Board Members:

Ron Curry, New Mexico, Chair

Gary Baughman, Colorado

Leo Drozdoff, Nevada

Barbara Green, Legal Counsel

Leonard Slosky, Executive Director

Sheri Reynolds, Recording Secretary

Others:

Perry Robinson, Louisiana Energy Services, LLC

Jennifer Opila, Colorado Dept. of Public Health & Environment

Jay Davenport, Particle Measuring Systems, Inc.

Richard Grondin, Perma-Fix Northwest

Jay Skarda, National Jewish Medical and Research Center

Judy Woodson, U.S. Army, Department of Defense, Joint Munitions Command

Steve Laflin, International Isotopes, Inc.

Craig Tessmer, Adams County

REGULAR MEETING

Mr. Baughman, Vice Chair, called the meeting to order at 2:02 p.m. Mr. Curry's shuttle service had delayed his arrival so Mr. Baughman explained that with Mr. Drozdoff there was a quorum to proceed with the meeting.

The first item on the agenda was the approval of the minutes of the April 13, 2010 Regular and Annual Meetings and Notice of Actions Taken during the May 25, 2010, and July 21, 2010 Telephonic Meetings. Mr. Baughman requested a typographical correction be made to the April 13, 2010 Regular Meeting minutes. Mr. Drozdoff moved to approve the minutes as corrected. Mr. Baughman seconded; the motion carried.

EXECUTIVE DIRECTOR'S REPORT

Mr. Slosky directed the Board to Tab J and reported that the Board had \$307,600 in liquid assets as of August 31, 2010, which is more than usual because a Federal Home Loan Note for \$100,000 was called back in August. He explained that the funds were invested in a callable agency note for a higher interest rate. Since prevailing interest rates are falling, the note was called back early. He explained that this investment was scheduled to mature in 2015 and is marked in shading on the Investment Summary report. These funds will be considered for reinvestment in a later agenda item. The next report in Tab J is a detail of the Permit Fee Revenues received in 2010. He noted that the \$13,049 in export permit fees received is down from previous years. He has not actually charted it out; however, he believes that we are seeing a downward trend in export revenues and export volumes. It is hard to know if this is due to economic conditions or a long-term trend in waste generation.

BUDGET VS. EXPENDITURE COMPARISON

Mr. Slosky directed the Board to Tab K for the Budget/Expenditure Comparison through August 31, 2010, which is two months into the new fiscal year. He explained that the expenditures are at or below the budgeted amount except for Contract Services. Mr. Slosky is recommending in another agenda item that the Board consider an amendment to Contract Services. He added that the office rent is lower than the old lease and the budget was based on the old lease.

Tab L provides the volumes authorized for export for 2010 and tracks individual permits by state and by generator. Mr. Slosky added that the volumes authorized for export to Benton County are significantly lower than our contractual allowed volume for disposal.

CONTINUATION OF PUBLIC HEARING AND CONSIDERATION OF DECLARATORY ORDER: REQUEST FROM INTERNATIONAL ISOTOPES FOR BOARD TO CONSIDER WHETHER THE DEPLETED URANIUM IT WILL RECEIVE WOULD BE SUBJECT TO THE BOARD'S JURISDICTION

Mr. Curry arrived and asked the Vice Chair to continue to lead the meeting. Mr. Baughman reopened the public testimony to consider comments on the draft declaratory order. Mr. Slosky directed the Board to Tab F and provided a brief overview of the draft document. He explained that the Board first considered this matter in a hearing during the April 13, 2010 Board meeting. The request from International Isotopes, Inc. (INIS) was for an exemption from the Board rule requiring approval of waste import. INIS argued that the depleted uranium (DU) that they will receive and process should not be regulated under Rule 7. The Board at the initial hearing concluded that an exemption from the rule was not necessary, but that a declaratory order by the

Board was an appropriate vehicle to establish the parameters under which INIS could import DU into the Compact for the use in production without triggering Compact jurisdiction.

Mr. Slosky explained that the issue for the Board was whether or not the DU received by the proposed facility is waste. Based on the hearing in April, staff was given direction to draft the declaratory order to consider today. The essence of the order is that if INIS functions as planned and receives DU and processes it into (in part) usable products that are sold commercially, then the DU received by INIS would not be waste and, therefore, would not be subject to the Compact's jurisdiction. The flip side is that if the fluorine is not extracted from the DU and made into usable products and sold, then the out-of-region DU received would be waste, subject to the Board's import requirements. The draft declaratory order sets forth the conditions that would allow INIS to import DU without import authorization by the Board. The order includes reporting requirements for INIS and allows the Board to monitor the status of the facility which may change over the years. Mr. Slosky added that INIS is expecting to receive DU from the URENCO USA facility in New Mexico, which is located inside the Compact. The DU from URENCO USA would not be subject to the import requirements of this Board because there would be no "import" into the region.

Mr. Drozdoff asked what happens if the INIS reports reveal that something has changed from the intended status at the facility with respect to DU processing. Mr. Slosky responded that he would bring it to the Board's attention. The Board would then schedule a hearing to consider the information and determine whether the change would require any action. The declaratory order is established so that there is no need for ongoing action by the Board other than monitoring that INIS is operating as intended. Mr. Slosky confirmed that Section 3.0 of the order is the safeguard. Mr. Baughman explained that the reporting requirements outlined in Section 4.0 should provide the Board with advance notice of a change in status of operations at the INIS facility. He explained that many of the reporting requirements are similar to those established in the agreement between INIS and the New Mexico Environment Department. A copy of the New Mexico Environment Department agreement is provided behind the green divider under Tab F.

Ms. Green added that there is an important distinction between an exemption and a declaratory order. The Board is not considering making an exemption for any kind of material from Board jurisdiction. This declaratory order is specific to INIS and defines conditions that must be met in order for INIS to be allowed to perform activity that is not subject to the Board's jurisdiction.

Mr. Laflin with INIS announced that there is a contract between URENCO USA (UUSA) and INIS. He added that INIS intends to have additional contracts with enrichment companies or plants outside of the compact region which is the reason why this declaratory order is so important. Mr. Laflin agrees with all of the conditions and believes that the reporting requirements are a thorough list that will clearly reveal any deviation from the business plan

which is for material to go out as quickly as it comes in. Going forward, if anything changes in the industry INIS will make their best efforts to keep the Board informed.

Mr. Slosky asked about the licensing status of the facility with the Nuclear Regulatory Commission (NRC). Mr. Laflin explained that the license application was submitted in December 2009. The license was formally accepted within 60 days by the NRC. INIS has gone through draft iterations of NRC requests for additional information (RAI) in which INIS works with the NRC to sort out the needs from any misunderstandings of sections in the license. The NRC then provides formal RAI in which INIS has 30 days to respond. Just yesterday, in fact, INIS received formal RAIs from the NRC and the process is ahead of schedule by several months. Mr. Laflin explained that they do not anticipate receiving the license for another 12 months, but the process may be considerably shorter if things continue to go as well as they have. In the meantime, INIS has met in Santa Fe to get the ball rolling on all of the state permitting processes. They have also issued Requests for Proposals to identify design and build contractors to build the facility.

Mr. Slosky explained that Section 2.1.3 of the declaratory order has some ambiguity as pointed out by Mr. Laflin. The concern in this provision is that it could be interpreted to apply to empty cylinders as opposed to cylinders that have uranium in them. The Board is only concerned with cylinders that have uranium in them. Since part of INIS' business plan is to clean cylinders and put them back in the market, Mr. Slosky suggested that the declaratory order be modified as follows: "The on-site storage of any one DUF_6 cylinder 'containing DUF_6 ' (insert) or DUO cylinder 'containing DUO' (insert) has not exceeded two years."

Mr. Baughman asked for public comment. There was no response so Mr. Baughman closed the public comment period at 2:25 p.m. Mr. Baughman opened for Board deliberation to consider whether the import of DUF_6 for the use outlined in the proposed Declaratory Order is subject to compact jurisdiction. He reiterated that the proposed order finds that the material is not waste subject to certain conditions and, therefore, not under the Board's jurisdiction. The Board is to consider the order in light of the discussion just heard. Mr. Curry moved to approve the order with the modification proposed by Mr. Slosky. Mr. Drozdoff seconded the motion, the motion carried unanimously.

URENCO USA (UUSA): UPDATE ON OPERATIONS AND WASTE GENERATION

Mr. Robinson, Vice President of Compliance and General Counsel with UUSA, was invited to speak on the status of operations and waste disposal options at the Eunice, New Mexico facility. He began the discussion by explaining that there are currently about 1,300 people on-site including 311 full-time employees. During the summer of 2009 they were up to about 1,600 people on-site.

In terms of production capacity, they are licensed to produce up to 5.9 million (M) separative work units (SWU). They have two cascades completed and anticipate having seven cascades in operation to reach the 5.9M SWU production capacity. The NRC has proposed to inspect the cascades at various stages of construction, review the paperwork associated with development of each cascade, and approve them as a group rather than approving them on a cascade-by-cascade basis which would require the NRC to be on-site inspecting every two or three weeks.

Mr. Robinson added that UUSA is owned by the Dutch government, UK government, and the German utilities (owned by the German government). The company has a very diverse work force from all over the United States and from Holland, UK, and Germany. He added that their formal name is Louisiana Energy Services, LLC (LES), but from a branding standpoint they are calling the facility UUSA. He added that they cannot change the name because that is the name written in the Treaty of Almelo, which allows them to import the core technology.

Mr. Robinson explained that, historically, only 9% of enriched uranium has been produced domestically. This has left U.S. utilities and the 102-104 reactors concerned over fuel certainty. He added that fuel is a relatively small investment in an 11-14 billion dollar nuclear reactor plant, but the facility will not operate without fuel and not many investors are willing to stand behind building a facility without fuel certainty. This is one of the primary reasons UUSA is in the United States today, to establish contracts with the nuclear facilities and to provide fuel certainty. Once the facility is operating at 5.9M SWU they will be providing about 50% of the U.S. demand. In May, they received approval from the NRC, after an Operations Readiness Review, to start operations at the plant. On June 25, 2010 they received fuel on-site and transferred feed out of the first cylinder into the enrichment process. Last week, they filled a second tails cylinder so they are moving along through a slow process.

Mr. Robinson went through a series of slides and updated the Board on the status of site facilities. He then explained the projected production of radioactive waste streams. The projections are based on licensing basis documents completed during their initial analysis of the type of process involved and materials involved which is theoretical to a degree. However, some projections relating to the mixed wastes are based on information gathered from other facilities. Ms. Green asked what is meant by "mixed waste." Mr. Robinson explained that the mixed waste is basically uranics and volatile organic compounds. He added that their waste manager calculated that equal to or less than 10% of total pounds of radiological wastes will be mixed waste. He explained that they are involved in many waste minimization techniques including sending all personal protective equipment (PPE) to Oakridge where the wastes will be liquefied; and they will also use activity detector techniques to determine if there is any activity in various materials. UUSA expects to produce approximately 12 tails cylinders (48Y) in 2010; 120 cylinders in 2011; 220 cylinders in 2012 (based on 0.23% tails assay and 4.4% product assay). He added that this product assay is common for U.S. nuclear power plants, but is much lower in other parts of the world, such as Japan, so this projection can be dynamic in nature. UUSA was

approved by the NRC to store approximately 15,300 cylinders on-site. However, they were recently approved by the State of New Mexico to store an increased number of cylinders for a number of years. At some point, they will submit a license amendment request to the NRC to increase the approved number of stored cylinders.

Mr. Curry asked Mr. Slosky if any decision has been made regarding the amount of time that the tails are approved for storage verses disposal in the eyes of the Board. Mr. Slosky explained that this decision has been deferred and may turn out to be academic because if the cylinders are moved to INIS or elsewhere the decision becomes moot. Mr. Curry asked for clarification if the compacts or NRC have any timelines determining when the cylinders are required to become waste. Mr. Slosky explained that the NRC will have its own regulatory requirements which will be entirely separate from the Compact. The Compact has nothing in statute or regulation about how long a cylinder has to be stored before it is deemed waste. Mr. Drozdoff added that he would like for UUSA to provide reasonable updates to the Board. Mr. Robinson agreed to provide timely information to the Board.

Mr. Robinson explained that UUSA is exploring de-conversion options, but has no contracts at this time. However, they intend to keep all of their disposal options open in order to allow UUSA the greatest flexibility in terms of maximizing profits.

Mr. Curry asked about the status of UUSA's competition. Mr. Robinson responded that he has not been following this closely, but believes that Eagle Rock in Idaho completed their license application around the first of the year. He also heard that Areva is facing some financial challenges which may or may not affect their long-term plans. He added that they have publicly stated that if they do not receive a loan guarantee from the DOE it will likely prevent them from moving forward. Mr. Curry asked about their outlook on contracts. Mr. Robinson replied that when he joined UUSA two years ago they had already sold the first decade of their production and are now working on the next decade. He believes that they have signed contracts with every nuclear utility in the U.S. except for one which has chosen to contract with USEC exclusively. He added that they have a thirty-year license which they would like to see extended. UUSA has hopes to increase production to 7M or 9M SWU capacity level.

Mr. Drozdoff asked if the table that was shown during the presentation regarding RadWaste is comparable to other URENCO operations around the globe. Mr. Robinson did not have the answer, but suspects that it is comparable to their sister facility in Almelo, Netherlands. He added that the Capenhurst, UK facility is a much older facility and probably has more antiquated waste collections systems so he doubts is comparable. Mr. Robinson said that he will get back with the Board on this.

Mr. Slosky asked when they expect their first shipment of "operational waste." Mr. Robinson did not have the answer, but knows that they are working on a waste disposal contract with

EnergySolutions (ES) in Clive, Utah. Mr. Slosky suggested that there be consultation with the Board before anything is shipped from their facility so that there is no misunderstanding as to whether or not it the export would require Board approval. Mr. Robinson agreed. Mr. Slosky also explained that whether or not the Board has jurisdiction over DU tail disposition will depend on what the disposition options are. If the tails are being disposed, the Board will have jurisdiction. However, if they are being sent somewhere to be re-enriched or converted into a useful product then the Board will probably not have jurisdiction. We will address that issue when UUSA wants to move tails out of the region. Mr. Drozdoff expressed concern over keeping the communication open in terms of determining when the cylinders will, in fact, be termed as waste. Mr. Slosky suggested that UUSA provide the Board with an annual update or more often if deemed necessary. This may not be as imminent if UUSA has no plans for the cylinders for three to five years. He added that early information will be beneficial so that neither party is surprised by what the other is doing. Mr. Robinson agreed to attend future meetings whenever the Board requests and added that, if it would be helpful, he would bring along staff from Marlow or from the Washington sales office that will have access to day-to-day information about the markets.

STATUS OF CLEAN HARBORS REGIONAL FACILITY

Mr. Slosky directed the Board to Tab G for the monthly Clean Harbors Deer Trail Facility (CHDTF) waste receipts summary and opened the discussion by stating that, as the report shows, they are receiving small quantities of low-level waste from both inside and outside the Compact region. This report summarizes what has been going on from an operational standpoint. He added that the Board has received \$33,530 in Compact surcharge payments so far this calendar year.

Ms. Opila of the Colorado Department of Public Health & Environment (CDPHE) was also asked to provide an update on the CHDTF. She began by explaining that CDPHE initially issued a five-year license to CHDTF in 2005. CHDTF submitted their renewal application in June of this year. The renewal application does not contain any additional requests for authorizations; however, they have requested a reduction in the maximum concentration of radium that they will be accepting to 222 pCi/gram. This request is based on the idea that even with the current 400 pCi/gram limit, the operational limit was 222 pCi/gram because when progeny is factored in they are up against a 2,000 pCi/gram total activity limit. This new limit is more of a realistic approach. Their renewal application and all of the activities by the CDPHE in conjunction with the application can be found on the CDPHE website at: <http://www.cdphe.state.co.us/hm/hwy36.htm>. The CDPHE has issued one RAI to the facility regarding their procedures and are waiting for a response. There will be a public meeting in October on both the license application and RCRA permit which is also up for renewal. The

date will be posted on the website once it is set. Ms. Opila added that the license renewal should be completed before it expires at the end of this year.

Ms. Opila continued the discussion by providing an update on the litigation facing CHDTF. Adams County, CHDTF, and CDPHE are currently in settlement negotiations that have been ongoing for a number of months. Progress is being made, but they have not come to any resolution on those matters at this time.

Ms. Green expressed concern over keeping the Board in the loop so that the parties do not settle crosswise with the Compact inadvertently. Ms. Opila explained that Mr. Baughman is actively involved in the settlement negotiations. Ms. Green responded that she understands that settlement negotiations are by and large confidential and explained that Mr. Baughman has recused himself from any legal discussions by the Board about this matter.

STATUS OF ENERGYSOLUTIONS LITIGATION

Ms. Green began by saying that nothing new has happened. She summarized the litigation by explaining that the Northwest Compact (NWC) was sued by ES because the NWC said that ES would need approval from the NWC to import Italian waste to the Clive, Utah facility. ES argued that the NWC had no jurisdiction over the proposed shipments or the ES facility. The Rocky Mountain Compact intervened in the case as a defendant along with the State of Utah. The main issue was whether or not the compact system applies to the import of waste to a facility like Clive. She directed the audience to review prior meeting minutes for further details of the complex issues. Ms. Green stated that the Federal District Court in Utah ruled in favor of ES. The case was then appealed to the 10th Circuit Court of Appeals in Denver. Oral arguments were held in January 2010. Since January the court has not issued any ruling. She added that the 10th Circuit Court has decided other cases that were heard after the Compact case so it is clear that they are either giving it good concentration, or they have placed it at the bottom of the stack. In terms of updates, ES withdrew its application to the NRC to import the Italian waste into the United States.

UPDATE ON NATIONAL DEVELOPMENTS

Mr. Slosky explained that in June the U.S. Supreme Court decided a case that the Southeast Compact states and Southeast Compact (SEC) brought against the State of North Carolina. The essence of this case is that the SEC provided approximately \$80M dollars to the State of North Carolina to assist them in a site development program. The State of North Carolina terminated the program and withdrew from the compact. The SEC tried to impose sanctions against the State of North Carolina largely requesting repayment of the \$80M dollars. This was an original jurisdiction case before the U.S. Supreme Court which was heard by a special master and then

went to the U.S. Supreme Court for a decision. They rendered their decision in June finding for the State of North Carolina and finding that the SEC did not have the authority to impose sanctions on the State of North Carolina. In this case, this Board led the effort to file an amicus brief which included a number of other compacts supporting the SEC. It is a fairly lengthy decision and there is an analysis in the briefing book under Tab I. Mr. Slosky's conclusion is that the decision hinged on the specific language of the compact which did not have explicit language authorizing sanctions. He does not believe that this decision will have real implications for the Compact other than if this Compact were ever in a similar dispute, the court's ruling may well hinge on the specific language of the compact.

Ms. Green added that she is a little more optimistic about the impact of the Supreme Court decision on the Board's pending litigation because this is a reaffirmation that the courts will look directly at compact language to determine rights and responsibilities. That is the basis of our argument in the NWC litigation. In the amicus brief filed in the SEC case, the Board simply stated that the compact structure is important and the court should enforce compacts as they are written.

Mr. Slosky then added that there was a very cryptic announcement that the SEC or its member states will take further action against the State of North Carolina. There will be an update from the SEC at the New York LLW Forum meeting in a couple of weeks. Mr. Drozdoff asked where they can go after the U.S. Supreme Court. Mr. Slosky explained that there are issues that the SEC believes have not been considered by the court. Mr. Drozdoff asked how the SEC received \$80M. Mr. Slosky explained that they collected money from the utilities. This is the same thing that happened in Nebraska. The compact collected a very large amount of money and Nebraska failed to license a facility and there were lawsuits. The judgment against the State of Nebraska was for \$154M which was settled for \$150M. The money had to be appropriated by the state legislature and repaid to the utilities.

Mr. Slosky brought up the consideration of waste blending issue by the NRC, the focus of which is to down-blend B and C waste that cannot go to the ES facility to class A waste that can go there. The NRC commissioners have voted on how to address a rulemaking on blending, but the decision has not been publicly released. Mr. Slosky expects information at any time explaining what type of rulemaking they are going to have to consider this issue. It appears that they are going to complete a rulemaking as opposed to just providing guidance. They have been debating about whether to combine the blending rulemaking with the DU rulemaking which is technically called "Rulemaking on Unusual Waste Streams" or combine it with the intended rulemaking revisiting all of 10 CFR 61. The chair's vote has been released which is to include this in the 10 CFR 61 rulemaking which will probably not be decided for another six to eight years.

Mr. Slosky explained that on a positive note, the WCS facility in Texas has survived the legal challenges to the bond election to issue \$75M of bonds from the county to support the construction of that facility. The Texas Supreme Court ruled to uphold the bond election awarding those bonds and he believes that is the end of litigation on the bond election. WCS is hoping to begin construction before the end of the year and has recently signed a contract for the construction. They hope to be operational in 2011. All of the issues before the Texas Compact on import of waste are still pending. They put out a proposed rule and went far through the process and then pulled it back and are redrafting it. Mr. Slosky added that the deliberation will probably be occurring while the legislature is in session next year. Due to the legislative schedule and the election in Texas, things may continue to move slowly. Mr. Slosky added that the DOE has agreed to take title to the federal part of the facility at its completion which clears the way for the federal disposal cell as well.

Mr. Slosky turned the discussion to the GTCC EIS explaining that he sent the Board an email last week notifying them that the EIS has been delayed again. Clearly, this area of the country has a keen interest in that. The fact that Yucca Mountain is probably no longer an alternative may be one of the reasons this issue is being held up. As previously discussed, WIPP and NTS are two of the alternatives being assessed in the EIS.

Mr. Drozdoff asked if there was any new information about the DOE sealed source program. Mr. Slosky explained that after the April Board meeting DOE sent the program manager out from Washington, D.C. to meet with him. They had a very constructive conversation where Mr. Slosky made clear what the Board's requirements are and under what circumstances they apply. The program manager did not commit to anything other than explaining that she understood what the Board's requirements were. Her intent is to operate the program so that they are not subject to the Board's requirements, meaning in essence that the DOE will take title to the sources before they are exported from the region. Storage of their material occurs in New Mexico so they can move sources from the member states to New Mexico without an export permit. Their practice in the past was to move sources to Texas first. Many sources are still stored in Texas. Mr. Slosky made clear that any movement of waste within the Board's jurisdiction to Texas would require an export permit. However, if DOE takes title to the sources before exporting them then the waste is not subject to the compact's jurisdiction.

Mr. Drozdoff commented that the State of Nevada supports a program that collects a lot of the odd stuff out of the world. However, if it now becomes DOE waste then the DOE can send it to its facilities meaning that a lot of waste may end up accumulating in New Mexico and Nevada. Mr. Curry added that the State of New Mexico is very firmly opposed to disposal of GTCC waste which is not only a technical position, but a political position. Mr. Drozdoff added that he understands that Mr. Slosky is directing the DOE to operate as they should from a compact standpoint. However, he is concerned about further interest to the states. Mr. Slosky responded

that he will plan to speak further with the program manager at the LLW Forum meeting in New York. He added that he is very frustrated and perplexed by the DOE/Homeland Security effort explaining that they have finalized their first report and may have recently finalized their second report which they consider a “messaging strategy.” He added that their approach is unrealistic and demonstrates a lack of understanding of the issues. For example, they have options like developing a site outside of compact jurisdiction just for sealed sources. He understands and agrees with the intent of the program to keep these sources out of terrorists’ hands and remove them from abandoned medical offices, but does not understand why the DOE has overreached and collected sources that were not at risk. Another discussion that Mr. Slosky has had with the DOE is about disposal since this issue surfaced while DOE requested assistance with disposing of some of these sources within the NWC. Now it appears that they have abandoned their effort to dispose of these at commercial sites and are resigned to disposing them at DOE sites. This certainly poses state issues that need to be addressed as well.

Mr. Slosky suggested that the Board ask the DOE to brief the Board at the next regular meeting and he will also raise the state issues. Mr. Drozdoff and Mr. Curry added that they are willing to assist by going up the chain of command if necessary.

Mr. Slosky will continue to follow these topics and keep the Board apprised of new developments.

CONSIDERATION OF AMENDMENT TO BOARD BUDGET

Mr. Slosky directed the Board to Tab M and opened the discussion by explaining that at the April Board meeting he estimated the moving costs for the 2010-11 fiscal year budget. At that point, he was hoping not to move so the moving plans were not well developed and he underestimated the costs. The cost of the move was \$1,354 more than what he estimated. Almost immediately following the move, the IT consultants recommended that the server (purchased in 2004) be replaced before it crashes since it is out of warranty and parts are unavailable. He also recommended replacing the Administrator’s computer (purchased in 2007) since it has reached its useful life and is running slowly. He explained that there is sufficient money already budgeted in Furniture/Equipment/Computer to cover the costs for a new server and desktop. However, the installation is estimated to be \$3,500. The cost will include updating the software from a ten year old version to new software which will come with many advantages. He explained that the configuration is not just a matter of copying over the hard drive onto a new machine; it is a matter of installing a new operating system. Mr. Slosky recommended that the Board increase the Contract Services category by \$4,900 to cover the additional costs for the move and to install and reconfigure the new computer equipment. He added a little extra money in there to offer some slack to cover expenses through the end of the year.

Mr. Drozdoff moved to amend the budget as proposed. Mr. Curry seconded; the motion carried unanimously.

CONSIDERATION OF INVESTMENT OF BOARD FUNDS

Mr. Slosky opened the discussion by explaining that there was a \$100,000 Federal Agency Note that was called back in August. The note was scheduled to mature on November 19, 2015. He explained that following the ladder approach, he recommends that the Board reinvest the money in another investment maturing in 2015. He directed the Board to Tab N for a rate sheet provided by Brenda Fredrickson at Wells Fargo which at best will yield 2.00%. He explained that Congress permanently raised the insurance limit through FDIC and NCUA to \$250,000 so now the Board is able to have a larger amount invested in single institutions and still have federal insurance. Ms. Reynolds provided information about a higher yielding 3.20% Certificate of Deposit (CD) at Security Service Federal Credit Union (SSFCU) maturing in 2015. She explained that the Board currently has a \$100,000 CD with SSFCU. Mr. Slosky added that the Board recently received funds promptly from the FDIC on an investment at an institution that failed; so it appears that at least one division of the federal government seems efficient. Mr. Slosky recommended that \$100,000 be invested in SSFCU which is insured and will earn more than a percentage point each year over what Wells Fargo can offer. Mr. Drozdoff made a motion to approve the purchase of a \$100,000 five-year investment as recommended. Mr. Baughman seconded; the motion carried unanimously.

With no further questions, Mr. Baughman moved to adjourn Regular Meeting of September 14, 2010 at 3:54 p.m. Mr. Drozdoff seconded; the motion carried unanimously.