

WASHBURN UNIVERSITY BOARD OF REGENTS
Budget and Finance Committee Meeting
October 26, 2012

Regents Present: Bill Sneed, Dan Lykins, John McGivern, Jim Klausman, Blanche Parks, Jennifer Sourk

The meeting was called to order at 10:30 a.m. by Bill Sneed, Chair.

1. Minutes of the April 19, 2012 meeting were approved as distributed.
2. Comprehensive Energy Program

Vice President Anderson said that at the May 1, 2012 Regents meeting the Board approved an award of a contract to Trane to perform a detailed energy audit and to make recommendations for an energy performance contract. He noted that Kansas State University had also recently gone through an energy audit. He introduced Trane personnel, Keven Ward, Chad Althouse, and Michael Mahoney, who gave an overview of the energy performance contract. The team went through every building on campus to determine where energy reductions could be found, while keeping in mind the Sightlines findings, the Campus Master Plan, and Washburn 150 Forward.

When asked about Trane's experience with the performance guarantee, Mr. Ward said all guarantees have been met locally. On a national level, any minor deficiencies that were found were immediately worked out. He indicated, as an industry, there are very few shortfalls in energy performance contracts.

Standards of Comfort are the foundation of the Campus Sustainability Plan. Heating and cooling settings usually are in the 70-72 degree range, but are always between 68 and 74 degrees. A question was raised about handling temperature complaints. Mr. Ward said technology provides a way to see the system and focus in on any deficiencies. He noted that Facilities Services will usually know before the building occupants if there is a temperature problem.

In order to prioritize projects, collaborative meetings, surveys, and interviews were conducted, and three years energy bills were reviewed. The fastest payback items will include lighting and combining digital controls with new energy efficient systems.

Three cash flow pro formas were presented. Vice President Anderson said the administration recommended financing not to exceed a 15-year bond payback period. He said many of the projects would have come up on the Capital Improvement Projects list and that most of the projects will benefit the campuses well beyond 15 years.

When asked if there would be opportunities for Washburn Institute of Technology students to be involved in any of the projects, Mr. Ward indicated students would be able to do job shadowing, in addition to other opportunities.

It was moved and seconded the committee recommend Board of Regents approval of Cash Flow Pro Forma #2 which includes investing \$2,346,000 from campus reserves and finances the remaining \$10 million over a 15-year bond term. The bonds will use energy savings to finance these campus improvement projects. Motion carried.

3. The next Budget and Finance Committee meeting will be held in December or January and will be scheduled at a later date.
4. The meeting was adjourned at 11:15 a.m.