



OFFICE OF THE PRESIDENT

1111 Franklin Street
Oakland, CA 94607-5200
Phone: (510) 987-9074
Fax: (510) 987-9086
<http://www.ucop.edu>

February 5, 2009

ACTION UNDER PRESIDENT'S AUTHORITY - AMENDMENT OF THE BUDGET FOR CAPITAL IMPROVEMENTS AND THE CAPITAL IMPROVEMENT PROGRAM AND APPROVAL OF EXTERNAL FINANCING, 2009-2011 STATEWIDE ENERGY PARTNERSHIP PROGRAM, DAVIS CAMPUS

It is recommended that:

Pursuant to Standing Order 100.4(q)

- (1) The President amend the 2008-09 Budget for Capital Improvements and the Capital Improvement Program to include the following project:

Davis: 2009-2011 Statewide Energy Partnership Program -- preliminary plans - \$258,000 to be funded from external financing.

Pursuant to Standing Order 100.4(nn)

- (2) The President approve external financing not to exceed \$258,000 to finance the preliminary plans of the 2009-2011 Statewide Energy Partnership Program projects. The President requires that:
 - a. Interest only, based on the amount drawn down, shall be paid on the outstanding balance during the construction period;
 - b. As long as the debt is outstanding, the Davis campus' share of State operating funds shall be used to pay debt service and to meet the related requirements of the authorized financing; and
 - c. The general credit of the Regents shall not be pledged.
- (3) The Officers of the Regents be authorized to execute all documents in connection with the above.

DESCRIPTION

In November, the Regents delegated authority to the President to obtain external financing for preliminary planning for the 2009-2011 Statewide Energy Partnership Program (Partnership). The Davis campus requests approval of \$258,000 from external financing for preliminary plans. These funds are needed to plan for implementation of monitoring-based commissioning projects that will identify and manage energy-saving capital improvements for the Davis campus. Waiting to proceed with this preliminary planning and engineering until full budget approval is secured would significantly delay the start of these energy projects and thus jeopardize the campus's ability to meet its 2009 energy savings commitment under the Partnership.

Project Description

Approval of this action will allow the campus to prepare for the installation of energy monitoring and metering equipment in 29 campus buildings. The equipment will allow plant managers the ability to monitor and control building systems while also providing them with information about building operations critical to establishing a baseline of efficiency for campus facilities. This will ensure optimal building performance, thereby reducing energy use and increasing occupant comfort. A list of the projects for monitoring-based commissioning on the Davis campus may be found on Attachment 1.

Policy on Sustainable Practices

The projects will comply with the *University of California Policy on Sustainable Practices*. As required by this policy, the project will adopt the principles of energy efficiency and sustainability to the fullest extent possible, consistent with budgetary constraints and regulatory and programmatic requirements.

CEQA Classification

Prior to approving the proposed projects, the University will comply with the California Environmental Quality Act and University Guidelines for implementation of CEQA, as necessary.

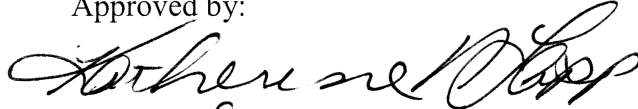
Financial Feasibility

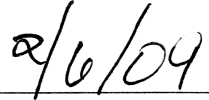
The requested funding for preliminary planning of \$250,000, with an additional \$8,000 for interest, will be externally financed with State operating funds, pursuant to Provision 2 of Section 6440-001-0001 of the 2008 State Budget Act. Based on long-term debt of \$258,000 amortized over 15 years at 5.75 percent interest, the annual debt service is estimated at \$26,000. As long as the debt is outstanding, State operating funds shall be maintained in amounts sufficient to pay the debt service and to meet the related requirements of the authorized financing.

For each campus fund source, annual debt service on the portfolio of projects is not to exceed 85 percent of the energy savings gained from the financed projects. This threshold ratio is

intended to ensure that for each campus fund source, annual energy savings from projects implemented through the Partnership will be greater than the debt service required to finance the projects.

Approved by:


for



Mark G. Yudof
President of the University

Date

ATTACHMENT 1

MONITORING BASED COMMISSIONING PROJECTS, DAVIS CAMPUS

SEP ID#	Building Name	Project Type
C3073	Academic Surge	Monitoring Based Commissioning
C3054	Art	Monitoring Based Commissioning
C3077	Dutton Hall	Monitoring Based Commissioning
C3093	3820 Chiles	Monitoring Based Commissioning
C3080	Engineering 3	Monitoring Based Commissioning
C3036	Everson Hall	Monitoring Based Commissioning
C3032	Hart Hall	Monitoring Based Commissioning
C3035	Hickey Gym	Monitoring Based Commissioning
C3043	Hoagland Hall	Monitoring Based Commissioning
C3074	Kemper Hall	Monitoring Based Commissioning
C3087	Laben Hall	Monitoring Based Commissioning
C3039	Library	Monitoring Based Commissioning
C3078	Maddy Lab	Monitoring Based Commissioning
C3086	Mathematical Sciences	Monitoring Based Commissioning
C3065	Medical Sciences 1B	Monitoring Based Commissioning
C3069	Meyer Hall	Monitoring Based Commissioning
C3052	Music	Monitoring Based Commissioning
C3048	Olson Hall	Monitoring Based Commissioning
C3082	Sciences Laboratory	Monitoring Based Commissioning
C3075	Social Sciences & Humanities	Monitoring Based Commissioning
C3049	Sproul Hall	Monitoring Based Commissioning
C3058	Storer Hall	Monitoring Based Commissioning
C3059	Surge 3	Monitoring Based Commissioning
C3071	Thurman Hall	Monitoring Based Commissioning
C3067	Veterinary Medicine 2	Monitoring Based Commissioning
C3083	Veterinary Medicine Laboratory Facility	Monitoring Based Commissioning
C3044	Voorhies Hall	Monitoring Based Commissioning
C3055	Wright Hall	Monitoring Based Commissioning
C3033	Young Hall	Monitoring Based Commissioning

ATTACHMENT 2

SUMMARY FINANCIAL FEASIBILITY ANALYSIS

Project Title:

Davis Campus - 2009-2011 Statewide Energy Partnership Program

Total Estimated Program Cost: \$ 258,000

Proposed Source(s) of Funding:

External Financing \$ 258,000

Proposed Financing Terms:

Interest rate: 5.75% Duration: 15 years

Pledged Source of Repayment:

State Operating Funds	
External Financing	\$ 250,000
Interest	<u>\$ 8,000</u>
	\$ 258,000

Net Income Prior to Debt Service \$ 33,000

Annual Debt Service:

Projected Annual Debt Service (proposed project)	\$ 26,000
Existing Annual Debt Service	<u>\$ 0</u>
Total Annual Expense	\$ 26,000

Debt Service Coverage 1.25x