

The official minutes of the University of South Carolina Board of Trustees are maintained by the Secretary of the Board. Certified copies of minutes may be requested by contacting the Board of Trustees' Office at trustees@sc.edu. Electronic or other copies of original minutes are not official Board of Trustees' documents.

University of South Carolina
BOARD OF TRUSTEES

Buildings and Grounds Committee

September 16, 2011

The Buildings and Grounds Committee of the University of South Carolina Board of Trustees met on Friday, September 16, 2011, at 9:30 a.m. in the 1600 Hampton Street Board Room.

Members present were: Mr. Mark W. Buyck, Jr., Chairman; Mr. Herbert C. Adams; Mr. Thomas C. Cofield; Mr. William C. Hubbard; Mr. William W. Jones, Jr.; Mr. Toney J. Lister; Ms. Leah B. Moody; Mr. John C. von Lehe, Jr.; Mr. Miles Loadholt, Board Chairman; and Mr. Eugene P. Warr, Jr., Board Vice Chairman.

Other Trustees present were: Mr. Chuck Allen; Mr. J. Egerton Burroughs; Mr. W. Lee Bussell; Dr. C. Edward Floyd; Mr. Hubert F. Mobley; Dr. C. Dorn Smith III; Mr. Thad Westbrook; and Mr. Mack I. Whittle, Jr.

Others present were: President Harris Pastides; Secretary Thomas L. Stepp; Vice President for Academic Affairs and Vice President for Academic Affairs and Provost Michael D. Amiridis; Chief Financial Officer Edward L. Walton; Vice President for Student Affairs and Vice Provost for Academic Support Dennis A. Pruitt; Vice President for Information Technology and Chief Information Officer William F. Hogue; Vice President for Communications Luanne M. Lawrence; Vice President of Development and Alumni Relations Michelle D. Dodenhoff; Vice President for Human Resources Chris Byrd; General Counsel Walter (Terry) H. Parham; University Treasurer Susan D. Hanna; Associate Vice President for Finance and Budget Director, Division of Finance and Planning, Leslie Brunelli; Associate Vice President for Business Affairs, Finance and Planning Division, Helen T. Zeigler; Associate Vice President for Finance and Personnel, Division of Student Affairs, Stacey Bradley; Associate Vice President for Housing and Student Development Gene Luna; Associate Vice President for Facilities Tom Quasney; Dean of the College of Mass Communications and Information Studies Charles Bierbauer; Director of Athletics Eric C. Hyman; Director of Capital Budgets and Financing, Division of Finance and Planning, Charlie Fitzsimons; Director of Facilities Planning and Programming, University Architect Derek Gruner; Director of Facilities Planning and Construction, Division of Facilities, Jeff Lamberson; Director of University Housing, Kirsten Kennedy; Executive Vice Chancellor for Academic Affairs, USC Aiken, Suzanne Ozment; Executive Associate Athletics Director Kevin O'Connell; Associate Athletics Director Marcy Girton; Associate Professor in the Department of Educational Leadership and Policies, College of Education, Zach Kelehear; Director of State Relations Trey Walker; Special Assistant to the President J. Cantey Heath, Jr.; Chair of the Faculty Senate Patrick D. Nolan;

Director of Governmental and Community Relations and Legislative Liaison Shirley D. Mills; Director of Media Relations, Office of Communications, Margaret Lamb; Manager of Energy Plant Funds and Data Supervisor, Controller's Office, Deborah Crews; Executive Assistant, Facilities Planning and Construction, Donna Collins; Senior Project Manager Thomas Opal; Project Manager, Department of Facilities, Ann Derrick; Project Manager, Department of Facilities, Lekita Hargrave Student Government Association (SGA) President Joe Wright; Heather Mitchell, The Boudreaux Group; Senior Vice President, Stevens and Wilkinson, Ashby Gressette; Project Analyst, Brailsford and Dunlavey, Wilson Jones; Regional Director, Brailsford and Dunlavey, Brad Noyes; University Technology Services Production Manager, Justin Johnson; Board staff members Terri Saxon, Vera Stone, and Karen Tweedy; and members of the press.

Chairman Buyck called the meeting to order and welcomed everyone. Ms. Lamb introduced a member of the media who was in attendance.

Chairman Buyck stated that notice of the meeting had been posted and the press notified as required by the Freedom of Information Act; the agenda and supporting materials had been electronically posted for the Committee; and a quorum was present to conduct business.

Open Session

Session I

- USC Columbia Housing District Plan: Mr. Buyck called on President Pastides who stated that the presentation was not about "real estate" but, about "student welfare." He then recognized Provost Amiridis who discussed the University's "Academic Dashboard" which he explained was a set of parameters monitored institutionally and the importance of the Housing Plan to academic achievement.

Dr. Pruitt introduced Brad Noyes from Brailsford and Dunlavey, who made a detailed presentation based on their month of study and national expertise. The report took about an hour and the Committee acted on the summary of the project as follows:

Housing solicited RFPs for a Housing District (Master) Plan, and selected the team of Stevens and Wilkinson, VMDO Architects, and Brailsford and Dunlavey. The consultants have completed the Housing District (Master) Plan, which provides a 10-15 year framework for overall enhancement of student housing at USC.

The process began with an in-depth demand analysis which identified the amount and type of growth available for University Housing. Recommendations include building a hub of new housing in the Bates area of campus. Smaller building sites have been identified around the central area of campus, but not all are needed. A site in the Innovista has been identified for a public/private partnership opportunity of approximately 400 beds. The consultants recommended renovating current residence halls, as well as demolishing some buildings which have reached the end of their useful life. The consultants paid particular attention to honoring the historic areas of campus in their recommendations.

The plan is a living document capable of adapting to changing needs and conditions. If at any point the University decided to cease implementing the plan, the department of University Housing would remain financially stable. The plan recommends architectural, financial, and market demands as well as scheduling and implementation

plans. With the Board's approval, the Housing District Plan will be incorporated as a District Plan into the USC Columbia Master Plan.

Chairman Buyck called for a motion to adopt the USC Columbia Housing District Plan as presented. Mr. Hubbard so moved and Mr. Adams seconded the motion. The vote was taken and the motion carried.

At 11:00 a.m. Chairman Buyck stated that the committee would recess and reconvene for the afternoon session which was scheduled to begin at approximately 1:00 p.m.

Session II

Chairman Buyck reconvened the meeting at 1:15 p.m. and stated that there were contractual matters relative to gift naming opportunities which were appropriate for discussion in Executive Session. Mr. Burroughs moved to enter Executive Session and Mr. Lister seconded the motion. The vote was taken, and the motion carried.

The following persons were invited to remain: President Pastides; Secretary Stepp; Dr. Amiridis; Dr. Pruitt; Dr. Hogue; Ms. Lawrence; Ms. Dodenhoff; Mr. Parham; Mr. Walton; Ms. Brunelli; Ms. Zeigler; Dr. Teegen; Mr. Quasney; Mr. Lamberson; Mr. Gruner; Mr. Heath; Mr. Michael Brown, Executive Vice President, from Gilbane; and Mr. David Lindsay, Executive Vice President, Cumming/SMG.

Return to Open Session

Chairman Buyck called on Mr. Quasney to present the following projects. The minutes reflect the discussion in the order that the projects were listed on the agenda.

I. Darla Moore School of Business: Chairman Buyck called for a motion to increase the project by \$15 million for a total project budget of \$106,500,000 using Private Funds. Mr. Lister so moved and Mr. Jones seconded the motion. The vote was taken and the motion carried.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

II. Football Practice Facility Phase I: When the Farmer's Market on Bluff Road was acquired and preliminary studies for the development of the site were conducted, one potential component of the development was the construction of an indoor practice facility.

This project proposes a new football indoor practice facility at the west end of the former Farmer's Market site. The proposed building would be large enough to contain a full length and width football field and tall enough to accommodate field goal kicking (at least 55'). The design of the structure would include minimal support facilities such as restrooms, storage, and offices.

The majority of other SEC schools have indoor practice facilities and Clemson University was in the process of constructing a new one. The proposed facility would be an important recruiting tool as well as providing the obvious functional benefits associated with conducting practice in inclement weather.

The anticipated cost for the project is \$14 million and would be funded with Athletic Revenue Bonds. Approval was requested to fund the initial design, development of a cost estimate, and development of a schedule.

Chairman Buyck called for a motion to establish this project for Phase I Design with a budget of \$210,000 funded with Athletic Operating Funds. Mr. von Lehe so moved and Mr. Jones seconded the motion. The vote was taken and the motion carried.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

III. Report on South Carolina Higher Education Efficiency and Administrative Policies Act: The South Carolina Higher Education Efficiency and Administrative Policies Act of 2011 was signed by the Governor on August 1, 2011.

The Act amended the definition of a permanent improvement project resulting in the following changes to project approval requirements:

- Establishes staff level approval (Joint Bond Review Committee and the Budget and Control Board, Capital Budget Office) of projects to acquire land or buildings with values up to \$250,000. Previously all

acquisitions, regardless of cost, required approval by the Joint Bond Review Committee and the Budget and Control Board.

- Increases the approval level for projects that include work on existing facilities to \$1 million. The previous limit was \$500,000.
- Increases the approval level for capital lease purchase of a facility acquisition or construction to \$1 million. Previously, all capital lease purchase projects required approval by the Joint Bond Review Committee and the Budget and Control Board.
- Increases the approval level for equipment that becomes a permanent fixture of a facility or does not become permanent but is included in the construction contract to \$1 million. The previous limit was \$500,000.

The Act also revises the limits on Indefinite Delivery Contracts. These revisions are:

- **Construction Services:** Increases the contract level to \$1 million and increases individual expenditures to \$250,000. Previous limits were \$750,000 and \$150,000 respectively.
- **Architectural-Engineering and Land-Surveying Services:** Increases the contract level to \$500,000 and increases individual expenditures to \$200,000. Previous limits were \$300,000 and \$100,000 respectively.
- **Small Indefinite Delivery Contracts:** Increases the level from small indefinite delivery contracts to \$50,000 and increases the value of contracts issued within a two year period to \$150,000. Previous limits were \$25,000 and \$75,000 respectively.

The Act addressed Small Purchase Procurement. The changes include:

- Increases the level for small purchases which may be accomplished without securing competitive quotations to \$10,000. The previous level was \$2,500.
- Allows use of purchasing cards of the institution for these purchases as the governing board approves.

Chairman Buyck stated that this report was received as information.

IV. Phase I Projects:

A. Rutledge College Comprehensive Renovation: Rutledge was originally built in 1805 and is located on the Historic Horseshoe. It has 25,481 gross square feet of space and is home to 48 students in an apartment style configuration.

This project includes a review of housing programmatic needs, replacement of mechanical, electrical, and plumbing systems, new interior finishes, replacement of interior/exterior doors, window replacement, card access, electronic locks, installation

of a dry type fire suppression system over cooking units and replacement of all case work and furnishings.

The project supports the University's mission by maintaining residence halls in a manner that attracts and retains a high achieving student population. This project addresses deferred maintenance and protects institutional assets.

The estimated cost for the project is \$5.8 million and would be funded with a combination of Housing Maintenance Reserve Funds and USC Columbia Renovation Reserve Funds. Approval was requested to fund the initial design, development, a cost estimate, and development of a schedule.

Chairman Buyck called for a motion to establish this project for Phase I Design with a budget of \$130,500 funded with Housing Maintenance Reserve Funds. Mr. von Lehe so moved and Mr. Adams seconded the motion. The vote was taken and the motion carried.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

B. LeGare/Pinckney Comprehensive Renovation: The project includes a review of programmatic needs, replacement of mechanical, electrical, and plumbing systems, new interior finishes, replace interior/exterior doors, window replacement, card access, electronic locks, installation of a dry type fire suppression system over cooking units and replacement of all case work and furnishings.

The project supports the University's mission by maintaining residence halls in a manner that attracts and retains a high achieving student population. This project addresses deferred maintenance and protects institutional assets.

The estimated cost for the project is \$5.3 million and would be funded with a combination of Housing Maintenance Reserve Funds and USC Columbia Renovation Reserve Funds. Approval was requested to fund the initial design, development of a cost estimate, and development of a schedule.

Chairman Buyck called for a motion to establish this project for Phase I Design with a budget of \$119,250 funded with Housing Maintenance Reserve Funds. Mr. Cofield so moved and Ms. Moody seconded the motion. The vote was taken and the motion carried.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

C. Bates West Elevator Renovation: Bates West has 14 floors and was originally built in 1972. It has 118,074 gross square feet of space and is home to 387 students in an apartment style configuration.

The three elevators are original to the building. They have exceeded their life expectancy and some parts are no longer available. The old technology is also not as

energy efficient compared to new systems. It is becoming increasingly difficult and expensive to maintain the existing elevators. This project removes all existing components and replaces them with a more modern and efficient system. The project also includes new finishes in the cabs and elevator lobbies, and addresses a portion of deferred maintenance.

The estimated cost for the project is \$1.5 million and would be funded with Housing Maintenance Reserve Funds. Approval was requested to fund the initial design, development of a cost estimate, and development of a schedule.

Chairman Buyck called for a motion to establish this project for Phase I Design with a budget of \$22,500 funded with Housing Maintenance Reserve Funds. Mr. Jones so moved and Ms. Moody seconded the motion. The vote was taken and the motion carried.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

D. Preliminary Studies for 1101 George Rogers Boulevard (ETV):

This project is to study the potential acquisition of facilities located at 1101 George Rogers Boulevard, immediately adjacent to the Williams-Brice Stadium. The property consists of 4.48 acres of land. Improvements include a two story building (approximately 137,000 gross square feet) and on-site parking. The acquisition would also include property located at 1034 Key Road. This property consists of 2.23 acres and a one story (approximately 5,200 gross square foot) office building. The project includes minor renovations to the existing facility to accommodate proposed occupants.

All acquisitions of real property are defined as permanent improvements. The establishment of a project was required to authorize expenditures for preliminary studies including appraisals, environmental studies, and building condition assessments.

Approval was requested to fund the preliminary studies required to adequately evaluate the property prior to purchase.

Discussion ensued regarding the assessed value of the property and the University's proposed uses, should the acquisition come to fruition.

Chairman Buyck called for a motion to establish this project for preliminary studies required to adequately evaluate the property prior to purchase with a budget of \$50,000 funded with Institutional Funds. Mr. Adams so moved and Mr. Jones seconded the motion. The vote was taken and the motion carried.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

E. Assembly Street Safety Improvements: Assembly Street is a six lane road, with four lanes of on-street parking within a 150' right-of-way. This highway-scaled road effectively divides the central Columbia campus to the east from USC facilities to the west which includes the Arnold School of Public Health, the Discovery

Research facility, the Koger Center, the Coliseum, the Colonial Life Arena and commuter parking. In January of 2014, the opening of the Darla Moore School of Business would significantly increase the quantity of students, faculty and staff attempting to cross Assembly Street as pedestrians. Future development of the Innovista District would further increase the use of Greene Street as a circulation spine forcing even more pedestrians to cross the intersection at Assembly Street.

This project would create an environment more conducive for pedestrian safety. It would eliminate all on-street parking at Assembly Street for the two blocks between College Street and Devine Street, which would enable the creation of wider sidewalks and shorter crosswalks, landscape buffers between the sidewalk and the road, bike lanes and a wider center island. The center island, which was currently 9 feet wide, would become approximately 28 feet wide, which would achieve two significant benefits. First, the wider center island creates a "haven" for pedestrians who must stop halfway across Assembly Street if the traffic light changes allowing vehicles to proceed. Second, the wider island allows two lines of trees to be planted. These trees, in conjunction with the trees in the landscape buffer along the sidewalks, create a "colonnade" effect which tends to calm traffic by inducing slower travel speeds. Other safety related strategies under consideration include optimizing signaling, eliminating left turn lanes, eliminating right turns on red lights, reducing speed limits and enhancing lighting.

The project was needed to support the University's mission by protecting the safety of our students, faculty and staff which cross Assembly Street to access USC facilities.

The estimated cost for the project is \$4 million and would be funded with Institutional Funds. Approval was requested to fund the initial design, development of a cost estimate, and development of a schedule.

Mr. Lister asked that since this was classified as a "safety" project, had a safety study been conducted on this project area. Mr. Quasney responded that they had not conducted a formal study, but there was extensive anecdotal evidence of safety problems. Mr. Lister expressed his concern that money would be expended on this project, and possibly "not enhance the safety factor," only beautify the area. He stressed that the project should be reviewed from "strictly a safety standpoint" by the University's Engineering Department. Mr. Quasney explained that some of the Phase I money could be used to conduct a safety study.

Mr. Hubbard stated that the Board confronted this same type safety issue with the consideration of pedestrian paths to the Strom Thurmond Wellness Center (STWC). It was determined at that time that the proposal, like the current one, was not practical. So, unless there were new ways to address this same type situation, he did not think the project as presented would accomplish the ultimate goal of safety. He concluded that an "overpass" like the ones to the STWC, might be a better option for the current project.

Mr. Quasney explained that they did look into the option of an overpass at the

project location; however, it was determined not to be the best option and was very expensive. Mr. Whittle asked who the "experts" were who determined that the overpass was not the best option. Mr. Quasney said that they had worked with the City of Columbia, the State Department of Transportation, and traffic engineers, and that the Dennis Corporation recommended the proposed plan.

Mr. Hubbard suggested that a survey be conducted to determine how many students actually used the two overpasses to the STWC and how many students crossed "street level."

Mr. Quasney explained that the concerns discussed would be addressed in the Phase I Design process. President Pastides summarized that Phase I would address not only how to do the project, but whether the project was the right thing to do, "with safety being the primary predictor, rather than aesthetics."

Chairman Buyck called for a motion to establish this project for Phase I Design with a budget of \$60,000 funded with Institutional Funds. Mr. Hubbard so moved and Mr. Jones seconded the motion. The vote was taken and the motion carried.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

V. Phase II Project:

- Health Sciences Renovation: The Health Sciences building is located on Sumter Street at the foot of the Horseshoe. It was constructed in 1961 and contains approximately 53,000 gross square feet. It is currently the home of two departments and the Dean's office for the Arnold School of Public Health. The building is currently configured as office space with some wet labs on the third floor.

This project would completely renovate the existing facility to house the School of Journalism and Mass Communications. The project also includes the construction of a 3,000 square foot addition. Because this building is a contributing building to the National Register Historic Horseshoe District, there would be little change to the character of the building exterior; the addition and proposed window upgrades would be planned to maintain the architectural integrity. The program included typical classroom and faculty office space as well as specialty spaces such as a broadcast studio and newsroom areas.

The scope of work included complete interior demolition, new wall configuration, upgrades to buildings systems (mechanical, plumbing, and electrical) and repairs to the exterior building envelope including installation of a new roof. Building systems upgrades also included the addition of sprinkler and alarm systems. Seismic retrofit was also included.

The anticipated budget for the project is \$18 million with construction to be completed by Summer 2014.

Chairman Buyck called for a motion to fund Phase II design and construction for a

total project budget of \$18 million to be funded with State Institution Bonds. Mr. von Lehe so moved and Mr. Lister seconded the motion. The vote was taken and the motion carried.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

VI. Other Approvals:

A. Welsh Humanities Building Ground Floor Renovations: The Welsh Humanities Building is an eleven story building with 70,782 gross square feet and houses departmental offices for the College of Arts and Sciences. The original design of the building featured a ground-level lobby area encircled by an open-air colonnade. The east side of the ground floor was recently expanded to the outer face of the colonnade for dining services. This project would expand the west side of the ground floor to the outer edge of the colonnade to create faculty office space with exterior windows.

The project required removing existing storefront and offices, reworking concrete slab, and installing new storefront. It includes construction of new office and support spaces, modification of the existing exit stair enclosure, and addition of a single occupant barrier-free toilet room. The project also upgrades the mechanical, electrical, and life-safety systems to support the increased occupancy.

Chairman Buyck called for a motion to establish and fully fund this project with a budget of \$550,000 to be funded with Renovation Reserve Funds. Mr. Adams so moved and Mr. Jones seconded the motion. The vote was taken and the motion carried.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

B. Thomas Cooper Library Renovations: Thomas Cooper Library, containing 283,592 gross square feet, was originally constructed in 1959 with a major expansion in 1976. A recent addition, the Hollings Special Collections Library, was completed in 2010 adding 51,434 gross square feet.

This project includes upgrades and renovations in the main building and has two components. The first component upgrades the public toilet areas on the seven levels of the building. Work would include replacement of countertops, lavatories, and faucets; replacement of toilet partitions and accessories; and painting. As funding allows, the project would upgrade two staff toilets on the mezzanine level.

The second component of the project improves the east side of the building. Work in the loading dock area expands parking to accommodate two vehicles, adds a new dumpster pad, and replaces existing steps with a ramp. It redesigns the parking area to improve vehicular access to the loading dock and to improve layout of parking spaces. The ADA accessible entrance to the library is also located on the east side of the library. The project includes renovations identified during design to improve accessibility that will be included in this project. It also includes restoring

landscaping on the east side of the building.

Chairman Buyck called for a motion to establish and fully fund this project with a budget of \$380,000 to be funded with Renovation Reserve Funds. Mr. Cofield so moved and Mr. Jones seconded the motion. The vote was taken and the motion carried.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

C. Horizon I First Floor Renovations: This project is to complete the upfit of the first floor of the Horizon I building. Work includes finishing office and laboratory space, converting copper piping to stainless steel where new, ultra-high purity gases are required, and adding monitored laboratory gases including hydrogen. When the project for Horizon I First Floor Laboratory Upfit was bid, alternates were included for portions of work to ensure the construction contract remained within the approved project budget. When the contract was awarded, it included shelling in laboratory space in the Strategic Approaches to the Generation of Electricity (SAGE) laboratories. Since then, the SAGE researcher, an endowed chair for one of the SmartState Centers, has already garnered research grants in excess of \$5 million and hired assistant researchers requiring the shelled laboratory space.

The budget for the project is \$965,000 to be funded with Institutional Funds.

Chairman Buyck called for a motion to establish and fully fund this project with a budget of \$965,000 to be funded with Institutional Funds. Mr. Hubbard so moved and Mr. Cofield seconded the motion. The vote was taken and the motion carried.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

D. 2012 Humanities Classroom Enhancements: In 1993/94, the Provost initiated the Classroom Enhancement Project to upgrade existing classrooms to a higher standard and to provide capabilities for multi-media instruction. Initially, classrooms that served the most students were selected for enhancement, based on seating capacity and room utilization. Other considerations included rooms with the greatest physical need and the impact of future plans for renovations to an entire facility. Over time, the larger classrooms have been addressed and recent projects have focused on smaller classrooms.

This project enhances eleven classrooms in the Humanities Classroom Building. The capacity of these rooms ranges from 15 to 40 seats per room. Typically, renovations include new interior finishes, new furnishings, the upgrade/installation of multi-media equipment, and mechanical and electrical modifications. The main emphasis of this project is the installation of multi-media equipment.

The budget for the project is \$495,000 and will be funded with \$420,000 in Institutional Capital Project Funds and \$75,000 in Institutional Funds.

Chairman Buyck called for a motion to establish and fully fund this project with a

budget of \$495,000 to be funded with \$420,000 in Institutional Capital Project Funds and \$75,000 in Institutional Funds. Ms. Moody so moved and Mr. Adams seconded the motion. The vote was taken and the motion carried.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

E. 2012 Utility Projects: Annually, the utility budget is established based on estimated usage and projected rates. In FY2011, actual costs were less than budgeted. This was primarily due to lower gas rates which are unregulated and can vary widely. It was recommended that the remaining funds be reinvested in utility projects to maintain existing systems.

- East Energy Deaerator Tank Replacement: The existing deaerator tank at the East Energy plant is in very poor condition, excessive rusting, and not properly removing the air from the boiler water. Excess air in the boiler water leads to boiler tube failures and plant outages. The severe corroded condition of the tank and its unreliable operation puts the plant at risk for unplanned steam distribution outages. This is a critical, central piece of equipment. If the tank fails, the entire east plant steam production shuts down with it. Replacement of the tank will increase the life of the boilers and provide a reliable supply of steam for the campus.

Chairman Buyck called for a motion to approve the East Energy Deaerator Tank Replacement project with the budget of \$420,000 to be funded with Institutional Funds. Mr. von Lehe so moved and Mr. Jones seconded the motion. The vote was taken and the motion carried.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

- Chilled Water Distribution Loop Isolation Valves Replacement:

This project replaces large chilled water isolation valves located within the central campus chilled water distribution system. The existing isolation valves are very old and do not work when closed. The lack of valves that operate properly causes large sections of the campus to be shut down in order to perform maintenance. The replacement of these valves allows isolating individual buildings rather than large sections of the campus when making chilled water repairs. Approximately 36 valves will be installed in the Horseshoe area, Gibbes Green, near East Quad and Blatt P. E. Center, and in the energy tunnels.

Chairman Buyck called for a motion to approve the Chilled Water Distribution Loop Isolation Valves Installation project with a budget of \$550,000 to be funded with Institutional Funds. Mr. Jones so moved and Mr. Cofield seconded the motion. The vote was taken and the motion carried.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

F. 2012 Energy Projects: The Energy Performance Contract with Johnson Controls Incorporated (JCI) stipulates guaranteed energy savings resulting from improvements executed under the contract. Due to operational delays at the Biomass plant, the guaranteed energy savings were not realized and JCI recently paid the guarantee. It was recommended that the payment for these unrealized savings be utilized for energy related projects.

- East Energy Boiler Control Replacement: This project replaces the old, obsolete and inefficient boiler controls on the No. 1, 2 and 3 boilers at the East Energy facility with new energy efficient boiler controls with oxygen trim. It also upgrades the boiler burner control linkage, servo motors and adds variable speed drives (VSDs) to the blower motors. The existing boiler controls are obsolete and no longer available. This project installs new updated controls to improve energy plant reliability, efficiency and to reduce operating cost.

- West Energy No. 2 Boiler Tube Replacement/Controls Upgrade:
This project replaces the old boiler tubes in the West No.2 boiler with new clean tubes. Over time, minerals from untreated water collect in the boiler tubes preventing efficient heating. This project also replaces the old obsolete boiler controls on the No. 2 boiler with new energy efficient boiler controls with oxygen trim. It also upgrades the boiler burner control linkage, servo motors and adds variable speed drives (VSDs) to the blower motor. The existing boiler controls are obsolete and no longer available. This project installs new boiler tubes and updates burner controls to improve energy plant reliability, efficiency and to reduce operating cost.

- South Energy Plate Frame Heat Exchanger: This project installs an energy efficient plate frame heat exchanger at the South Energy plant. During the cooler months of the year (January through March, October through December), this equipment allows the South Energy plant to provide chilled water for cooling without running an electrical chiller. South Energy is the last plant to be fitted with this energy saving equipment. Plate frame heat exchangers are already installed in the East, West and North Energy plants. These systems take advantage of the cold outside air to produce cooling, significantly reducing energy consumption. Energy savings are expected to be about \$75,000 per year.

- North Energy (Coliseum) Chiller Installation: This project replaces three abandoned chillers with a single 1600 ton high efficiency variable speed drive (VSD), water cooled chiller and cooling tower. It is required to meet expected capacity needs for future campus growth in the west campus and Innovista area. The new chiller will be tied into the central chilled water loop providing the capability to feed the North plant.

Chairman Buyck called for a motion to approve the following energy projects with

the budgets listed -- all projects would be funded with Institutional Funds.

East Energy Boiler Control Replacement	\$275,000
West Energy No. 2 Boiler Tube Replacement/Controls Upgrade	\$300,000
South Energy Plate Frame Heat Exchanger	\$300,000
North Energy (Coliseum) Chiller Installation	\$945,000

Mr. Jones so moved and Mr. Hubbard seconded the motion. The vote was taken and the motion carried.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

G. 2012 State Capital Reserve Deferred Maintenance Projects:

The State of South Carolina appropriated Capital Reserve Funds for Fiscal Year 2011-2012 for Deferred Maintenance for each campus of the University of South Carolina. The following projects require approval.

- USC Columbia Deferred Maintenance: This project addresses multiple deferred maintenance projects on the Columbia Campus. This project includes roof replacement for Wardlaw College, Thomas Cooper Library, Law Center, Library Annex, 1600 Hampton Street, Benson School, Byrnes Center, McKissick, Humanities Classroom Building, and J. Welsh Humanities Building. The project also addresses exterior repairs to the Guignard House and Carriage House, Steam and Condensate Line Replacement, Swearingen Engineering Center Mechanical System and Controls Replacement (Phase I), and Pedestrian Bridge Repairs.

- USC School of Medicine Deferred Maintenance: This project addresses multiple projects for the School of Medicine. On the V. A. Campus, work includes Building 28 Mechanical Renovations, Campus Cold Room Repairs, Building 104 Mechanical Renovations, Building 4 Mechanical Renovations, and Building 2 Mechanical Renovations. On the Palmetto Richland Campus, work includes Clinical Education Building Variable Air Volume System Replacement. Institutional Capital Project Funds from the School of Medicine will be used to supplement state funds to fully fund the project.

- USC Aiken Deferred Maintenance: This project addresses multiple projects on the USC Aiken Campus. Work includes Pickens Salley House Repair, Business and Education Building Chiller Replacement, Business and Education Building Interior Finish Refurbishment, Penland Building Equipment Penthouse Repair, and Penland Building Chilled Water Valve Replacement.

- USC Upstate Deferred Maintenance: This project addresses multiple projects on the USC Upstate Campus. Work includes Hodge Center Cooling Towers 1 and 2 Replacement, Campus Life Center Mechanical Replacement, and Campus Life Center Roof Replacement.

- USC Sumter Deferred Maintenance: This project addresses Campus

Wide Fluorescent Lighting Replacement in five buildings on the USC Sumter Campus. USC Sumter Renovation Reserve Funds will be used to supplement state funds to fully fund the project.

Chairman Buyck called for a motion to approve the following energy projects with the budgets and funding sources listed:

<u>USC Columbia Deferred Maintenance</u> (Capital Reserve Funds)	\$7,930,490
<u>USC School of Medicine Deferred Maintenance</u> (\$1,185,015 Capital Reserve Funds; \$176,985 School of Medicine ICPF)	\$1,362,000
<u>USC Aiken Deferred Maintenance</u> (Capital Reserve Funds)	\$ 560,133
<u>USC Upstate Deferred Maintenance</u> (Capital Reserve Funds)	\$ 730,319
<u>USC Sumter Deferred Maintenance</u> (\$220,518 Capital Reserve Funds; \$79,482 USC Sumter Renovation Reserve Funds)	\$ 300,000

Mr. Adams so moved and Mr. von Lehe seconded the motion. The vote was taken and the motion carried.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

Mr. Quasney also presented the following projects for information.

<u>USC Beaufort Deferred Maintenance</u>	\$131,893
--	-----------

This project addresses various maintenance needs on the Historic Beaufort Campus. Work includes roofing, HVAC repairs/upgrades, plumbing, electrical, building facade, signage, and other maintenance needs.

<u>USC Lancaster Deferred Maintenance</u>	\$139,228
---	-----------

This project replaces the Gregory Health and Wellness Center Chiller System.

<u>USC Salkehatchie Deferred Maintenance</u>	\$200,000
--	-----------

This project funds the Walterboro Science Building Warehouse Conversion to Classroom Space. USC Salkehatchie Renovation Reserve Funds will be used to supplement the state funds to fully fund the project.

(\$118,639 State Capital Reserve Funds; \$81,361
USC Salkehatchie Renovation Reserve Funds)

<u>USC Union Deferred Maintenance</u>	\$ 53,817
---------------------------------------	-----------

The project replaces fan coil units in the Central Building, as funds allow.

The University hereby declares its official intent, pursuant to Federal Regulations, to reimburse itself from the amount of proceeds of the tax-exempt bond issue.

Mr. Burroughs requested an update on the Biomass Plant. Mr. Walton reported that it still did not work and that Johnson and Controls was currently in the process of a redesign, which he anticipated in the very near future. He stated that according to the contract, Johnson and Controls had paid the University over \$4 million so far this year, with a \$2.13 million payment due September 30, 2011. Bottom line, Mr. Walton explained

was that Johnson and Controls was either going to build the University an energy plant that "worked" or continue to pay the University \$2.1 million a year.

VII. Gift Naming Opportunities:

Chairman Buyck called on Secretary Stepp, who explained that the following gift naming opportunities were presented in Executive Session without objection:

A. Athletics Department:

"The Charles F. Crews Weight Room"

B. School of Law:

"The Lee Stathis Haramis, Sr. '83 in memory of Allison Brundick
Haramis Library Carrel"

C. University Libraries:

"The Class of 2011 Study Room"

D. School of Music:

"The James K. Copenhaver Band Hall"

Chairman Buyck called for a motion to approve the gift naming opportunities as presented. Mr. Jones so moved and Mr. Adams seconded the motion. The vote was taken and the motion carried.

There being no other business, Chairman Buyck declared the meeting adjourned at 2:55 p.m.

Respectfully submitted,

Thomas L. Stepp
Secretary