

SCHOOL FACILITIES BOARD
October 6, 2010
Phoenix, Arizona

The School Facilities Board held a Board Meeting at the Arizona State Capitol Building in Phoenix, Arizona. The meeting began at approximately 10:05 A.M.

<u>Members Present</u>	<u>Guests Present</u>
Dr. Frank Davidson, Chair	Bob Hasman, ConEdison Solutions
Tom Rushin, Vice-Chair	Andrea Chalmers, APS
Gary Marks	Ken Pratt, Sun Engineering
Penny Allee Taylor	LaVerne Schimpf, Balsz ESD
Dr. Bill Johnson	Maura Yates, APS
	Jim Westberg, Commerce Energy Office
<u>Members Absent</u>	Cathy Rex, So. AZ School Facilities Grp
Vern Crow	Tom Harris, PV Advanced Concepts
Dr. Patricia Gober	Jon Cazef, Commercial Systems Tech.
Eric Hafner	B.A. Golston, Kitchell
Vicki Salazar (non-voting member)	
<u>Vacant Board Position</u>	
Teacher Representative	
<u>Staff Present</u>	
Dean Gray, Executive Director	
Kerry Campbell, Public Information Officer	
Debra Sterling, Attorney General's Office	
Phil Williams, Deputy Director-Finance	
Sameer Pandey, School Facilities Liaison	
Gerry Breuer, School Facilities Liaison	

- I. Call to Order
Dr. Frank Davidson called the meeting to order at approximately 10:05 A.M.
- II. Roll Call
There were five (5) voting Board Members present at this meeting.
- III. Consideration and possible vote to accept, reject or modify the Minutes of September 1, 2010
Tom Rushin made a motion for Board approval of the Minutes of September 1, 2010. Gary Marks seconded. The motion passed with a 5-0 voice vote.
- IV. Consent Agenda
Consideration of Preventative Maintenance Plans including Amendments to existing plans and Addition of New Schools
Tom Rushin made a motion to approve the Consent Agenda. Gary Marks seconded. The motion passed with a voice vote of 5-0.

V. Director's Report

a. ARRA Update

Dean Gray reviewed the current status of the ARRA Energy Efficiency and Solar Energy Grants. No Board action is required.

b. Consideration and possible vote to accept, reject or modify a technical correction to Resolution adopted June 23, 2010 for \$100 million lease-to-own transaction to clarify permitted terms of prepayment at the Board's option

Phil Williams explained the technical correction and need for the additional resolution regarding the permitted terms of prepayment at the Board's option.

Gary Marks made a motion to approve the Resolution clarifying the permitted terms of prepayment at the Board's option. Dr. Bill Johnson seconded. The motion passed with a voice vote of 5-0.

c. Lease-to-Own Financing Update

Phil Williams provided the Board with an update on the \$100 million bond sale. Dean Gray thanked Phil and Debra for their hard work and expertise, as well as members of Stone & Youngberg, Squire, Sanders & Dempsey and Morgan Stanley for completing the bond sale.

d. APS Presentation-School and Government Programs

This agenda item was moved to the end of the Board meeting.

VI. Consideration and possible vote to accept, reject or modify Building Renewal Grant Requests

Dean Gray reviewed the balance of the Building Renewal Grant fund, explaining that if today's recommendations are approved by the Board the available balance is \$856,222. Staff continues working to close projects and make recognized savings and unspent monies available for new projects.

Mr. Gray provided a brief review of the Building Renewal Grant requests as presented in the Board packet.

Dr. Bill Johnson made a motion for Board approval of the following staff recommendations:

a. Board approval that **Ganado Unified** be awarded \$11,389 in Building Renewal Grant funding for the professional evaluation and investigation including recommendations and cost estimates for the repair of the fire hydrants.

b. Board approval that **Sierra Vista Unified** be awarded \$15,000 in Building Renewal Grant funding for the correction of the auto shop heating/cooling system. This includes \$3,627 in contingency funds that will only be used with SFB staff approval.

c. Board approval that **Sierra Vista Unified** be awarded \$12,000 in Building Renewal Grant funding for the replacement of the HVAC unit at Pueblo Del Sol Elementary. This includes \$1,465 in contingency that will only be used with SFB staff approval.

- d. Board approval that **Topock Elementary** be awarded “Not to Exceed” \$3,000 in Building Renewal Grant funding for the replacement of the A/C compressor that serves the administrative area.
- e. Board approval that **Topock Elementary** be awarded “Not to Exceed” \$16,000 in Building Renewal Grant funding for the replacement of the 10-ton A/C unit that serves the library.
- f. Board approval that **Willcox Unified** be awarded ‘Not To Exceed’ \$84,000 in Building Renewal Grant funding for the replacement of the fire alarm system at Willcox Elementary.

Tom Rushin seconded. The motion passed with a 5-0 voice vote.

VII. ARRA Energy Grant Awards

- a. Consideration and possible vote to accept, reject or modify final award of Energy Efficiency Grants

Dean Gray expressed the excitement among staff that the energy efficiency projects are projecting better than expected cost savings as well as minimal payback.

Tom Rushin made a motion for Board approval of the following staff recommendations:

Altar Valley Elementary – 100351000-9999-001EFF

Robles Elementary

Project Scope: Lighting upgrade, Lighting control, HVAC control, Window tinting

Total Project Costs:	\$120,990	IGA Total Project Costs	\$117,402
Recommended Award:	\$36,297	ARRA Requested:	\$35,221
District Funds:	\$84,693	District Funds:	\$82,181
Estimated Savings per year:	\$13,719	Guaranteed Savings per year:	\$11,601
		Payback:	10 years
		Contingency:	\$1,057
		Commissioning:	\$0

Balsz Elementary – 070431000-9999-001EFF

5 schools

Project Scope: Lighting upgrade, HVAC upgrade HVAC control

Total Project Costs:	\$1,044,111	IGA Total Project Costs	\$1,059,352
Recommended Award:	\$313,233	ARRA Requested:	\$317,806
District Funds:	\$730,878	District Funds:	\$741,546
Estimated Savings per year:	\$126,033	Guaranteed Savings per year:	\$164,012
		Payback:	6.5 years
		Contingency:	\$9,534
		Commissioning:	\$16,470

Chandler Unified – 070280000-9999-001EFF

5 schools
Project Scope: HVAC control

Total Project Costs:	\$1,370,952	IGA Total Project Costs	\$1,524,637
Recommended Award:	\$411,286	ARRA Requested:	\$457,391
District Funds:	\$959,666	District Funds:	\$1,067,246
Estimated Savings per year:	\$94,355	Estimated Savings per year:	\$102,000
		Payback:	15 years
		Contingency:	\$13,722
		Commissioning:	\$0

Dysart Unified – 070289000-9999-001EFF

23 schools
Project Scope: Lighting upgrade, Lighting control, HVAC upgrade, HVAC control, Energy Recovery, Motor/Pump Replacement, Solar Hot Water

Total Project Costs:	\$5,105,927	IGA Total Project Costs	\$1,434,515
Recommended Award:	\$1,000,000	ARRA Requested:	\$430,355
District Funds:	\$4,105,927	District Funds:	\$1,004,160
Estimated Savings per year:	\$1,069,309	Guaranteed Savings per year:	\$156,844
		Payback:	9 years
		Contingency:	\$12,911
		Commissioning:	\$20,000

Toltec Elementary – 110422000-9999-001EFF

Toltec Middle School
Project Scope: Lighting upgrade, Lighting control, HVAC upgrade, HVAC control, Demand Control Ventilation

Total Project Costs:	\$337,909	IGA Total Project Costs	\$357,862
Recommended Award:	\$101,373	ARRA Requested:	\$107,359
District Funds:	\$236,536	District Funds:	\$250,503
Estimated Savings per year:	\$46,859	Guaranteed Savings per year:	\$45,898
		Payback:	7.8 years
		Contingency:	\$3,221
		Commissioning:	\$0

Gary Marks seconded. The motion passed with a voice vote of 5-0.

b. Consideration and possible vote to accept, reject or modify cancellation of Energy Efficiency Grants

Dean Gray explained that Sahuarita Unified does not have the funds to complete this project.

Gary Marks made a motion for Board approval of the cancellation of Sahuarita Unified's Energy Efficiency Grant, project number 100230000-9999-004EFF, for the Lighting upgrade, HVAC upgrade and HVAC control at Sahuarita Primary School. Penny Allee Taylor seconded. The motion passed with a voice vote of 5-0.

c. Consideration and possible vote to accept, reject or modify Phase II Energy Efficiency Grant Awards

Dean Gray explained the Phase II award of 11 projects to 10 districts.

Penny Allee Taylor made a motion for Board approval of the following staff recommendations, subject to approval of the environmental survey required by the National Environmental Policy Act:

Cave Creek Unified

Desert Arroyo Middle School
Project Scope: Lighting upgrade

Total Project Cost	<u>\$325,725</u>
Amount Requested:	\$97,718
Recommended Award:	\$97,718

District Funds:	\$77,842
Estimated Savings:	\$24,520 per year

Energy Savings: The project is estimated to save 922 MMBtu per year.

Douglas Unified

14 Schools
Project Scope: Lighting Upgrade, HVAC control and Demand Control Ventilation

Total Project Cost	<u>\$1,523,653</u>
Amount Requested:	\$457,096
Recommended Award:	\$457,096

District Funds:	\$1,066,557
Estimated Savings:	\$233,894 per year

Energy Savings: The project is estimated to save 8,310 MMBtu per year.

Marana Unified

Marana High
Project Scope: HVAC upgrade & control, Lighting upgrade

Total Project Cost:	<u>\$1,426,471</u>
Amount Requested:	\$319,890**
Recommended Award:	\$319,890

District Funds:	\$1,106,581
Estimated Savings:	\$114,474 per year

Energy Savings: The project is estimated to save 4,778 MMBtu per year.

** The ARRA Energy Grant Program has a \$1 million cap per district. Marana Unified was previously awarded energy efficiency grant funding in the amount of \$680,110. The balance of \$319,890 is available for this project award.

Mohave Valley Elementary

4 schools and District Office
Project Scope: HVAC upgrade & control, Lighting upgrade & control, Demand Control Ventilation

Total Project Cost	<u>\$829,644</u>
Amount Requested:	\$248,893
Recommended Award:	\$248,893

District Funds:	\$580,751
Estimated Savings:	\$93,502 per year

Energy Savings: The project is estimated to save 3,333 MMBtu per year.

Page Unified

Page Elementary, Middle and High Schools

Project Scope: HVAC upgrade, HVAC control, Lighting upgrade, Lighting control

Total Project Cost	<u>\$734,000</u>
Amount Requested:	\$220,200
Recommended Award:	\$220,200

District Funds:	\$513,800
Estimated Savings:	\$66,740 per year

Energy Savings: The project is estimated to save 2,481 MMBtu per year.

Paradise Valley Unified

Cactus View Elementary and Sonoran Sky Elementary

Project Scope: HVAC upgrade & control, Lighting upgrade, Boiler Replacement

Total Project Cost	<u>\$701,372</u>
Amount Requested:	\$210,412
Recommended Award:	\$210,412

District Funds:	\$490,960
Estimated Savings:	\$94,167 per year

Energy Savings: The project is estimated to save 3,159 MMBtu per year.

Paradise Valley Unified

8 Schools

Project Scope: Lighting upgrade, HVAC control and Computer Power Management

Total Project Cost	<u>\$2,223,710</u>
Amount Requested:	\$667,113
Recommended Award:	\$667,113

District Funds:	\$1,556,597
Estimated Savings:	\$232,213 per year

Energy Savings: The project is estimated to save 9,022 MMBtu per year.

Tuba City Unified

8 Schools

Project Scope: Lighting upgrade, HVAC control and Computer Power Management

Total Project Cost	<u>\$1,922,455</u>
Amount Requested:	\$576,737
Recommended Award:	\$576,737

District Funds:	\$1,345,718
Estimated Savings:	\$232,213 per year

Energy Savings: The project is estimated to save 9,022 MMBtu per year.

Tucson Unified

3 Schools and District Office

Project Scope: HVAC upgrade, HVAC control and Lighting upgrade

Total Project Cost	<u>\$361,976</u>
Amount Requested:	\$108,593
Recommended Award:	\$108,593

District Funds:	\$253,383
Estimated Savings:	\$55,836 per year

Energy Savings: The project is estimated to save 1,749 MMBtu per year.

Wickenburg Unified

Wickenburg Elementary, Middle and High Schools

Project Scope: HVAC upgrade & control, Lighting upgrade, Demand Control Ventilation, Boiler Replacement

Total Project Cost	<u>\$1,146,153</u>
Amount Requested:	\$343,846
Recommended Award:	\$343,846

District Funds:	\$802,307
Estimated Savings:	\$111,094 per year

Energy Savings: The project is estimated to save 3,985 MMBtu per year.

Willcox Unified

Willcox Elementary, Middle and High Schools

Project Scope: HVAC upgrade, Lighting upgrade and Lighting control

Total project Cost	<u>\$590,314</u>
Amount Requested:	\$177,094
Recommended Award:	\$177,094

District Funds:	\$413,220
Estimated Savings:	\$43,051 per year

Energy Savings: The project is estimated to save 1,275 MMBtu per year.

Dr. Bill Johnson seconded. The motion passed with a voice vote of 5-0.

d. Consideration and possible vote to accept, reject or modify potential additional Solar Energy Grant Awards

Dean Gray explained the additional Solar Energy Grant Awards.

Tom Rushin made a motion for Board ratification that, subject to the availability of funding from the ARRA stimulus funds directed to the SFB through the Department of Commerce Energy Office and the approval of the NEPA environmental survey, the 17 districts presented are awarded solar energy grants involving the installation of photovoltaic systems up to 30 KWdc. Penny Allee Taylor seconded. The motion passed with a voice vote of 5-0.

VIII. Future Agenda Items

No request for Future Agenda Items was received.

IX. Public Comment

No request for Public Comment was received.

X. Adjournment

There being no further business, Dr. Davidson adjourned the meeting at 10:30 A.M.

APS representative Maura Yates gave a presentation on the proposed School and Government Program. As part of the 2009 settlement agreement approved by the Arizona Corporation Commission (ACC), APS is required to develop a program for schools and government entities to eliminate or substantially reduce the up-front cost of installing on-site solar, including solar electric systems (photovoltaic), solar water heaters (solar thermal) and solar daylighting. On April 29, 2010, APS filed a plan with the ACC explaining how the company will accomplish this provision of the settlement agreement. ACC approval is still pending.

Approved by the School Facilities Board on November 3, 2010

Frank Davidson
Chair