

Utah State Building Board



MEETING

September 1, 2010

MINUTES

Utah State Building Board Members in Attendance:

Mel Sowerby, Chair
George Daines
Wilbern McDougal
Steve Bankhead

DFCM and Guests in Attendance:

Gregg Buxton	Division of Facilities Construction & Management
Kurt Baxter	Division of Facilities Construction & Management
CeeCee Niederhauser	Division of Facilities Construction & Management
Kim Hood	Department of Administrative Services
Lyndy Lovelady	Eaton Architecture
Jessie Robertson	Envision Engineering
Dave Tanner	Southern Utah University
Michael Benson	Southern Utah University
Ralph Hardy	Utah System of Higher Education
Kimberlee Willette	GOPB
Rich Amon	Legislative Fiscal Analyst Office
Ben Berrett	Utah State University
Ken Nye	University of Utah
Tiffany Woods	BHB Engineers
Darrell Hart	Utah State University
Rick Stock	Dunn Associates
Jerry Jensen	Utah Department of Corrections
Bob Askerlund	Salt Lake Community College
Chris Coutts	Arcitectural Nexus
Greg Stauffer	Utah System of Higher Education
Alan Bachman	Attorney General's Office/DFCM
LaPriel Dye	Attorney General's Office/DFCM

On Wednesday, September 1, 2010 the Utah State Building Board held a regularly scheduled meeting at the Utah State Capitol Building, Room C250, Salt Lake City, Utah. Chair Mel Sowerby called the meeting to order at 9:02 a.m.

APPROVAL OF MINUTES OF August 11, 2010

Chair Sowerby sought a motion for approval of the minutes.

MOTION: George Daines moved to approve the meeting minutes of August 11, 2010. The motion was seconded by Wilbern McDougal and passed unanimously.

SUU MASTER PLAN REVISIONS.....

SUU President, Michael Benson spoke to the Board and thanked them for coming to SUU's campus during the Capital Facilities Tour a few weeks ago. He indicated that the State Board of Regents had also visited their campus and the revised Campus Master Plan was presented to them. President Benson said that over the past three years the University has had the opportunity to acquire some pieces of property that are immediately adjacent to campus which would allow for expansion. They want to pick up additional parcels which would serve as parking to their proposed Museum of Art located on the corner of 300 West and University. He reminded the Building Board that the Board of Regents recent change in policy requires that once a campus master plan is approved, with the delineation of this expanded footprint, they need the approval of SUU's Board of Trustees to pick up some of these properties and they are in the process of doing that at the present time.

Steve Bankhead questioned if a new business building were constructed, would the University leave the existing business building in place to accommodate future growth? President Benson answered that the plan was to leave the building in place during construction, however once the new building is completed they would raze the older building and create an open area.

Chairman Sowerby asked what the increase was in square footage for the business building. Dave Tanner, SUU's Vice-President of Finance and Facilities indicated that it would be approximately 6,000 square feet of additional space.

MOTION: Wilbern McDougal moved to approve the SUU Master Plan Revisions. The motion was seconded by Steve Bankhead and passed unanimously.

DESIGN APPROVAL FOR THE CHILLED WATER THERMAL STORAGE SYSTEM.....

Darrell Hart, Associate Vice-President for Utah State explained that for some time the University has been considering putting an underground water tank in the hyper field adjacent to their main utility tunnel for the purpose of storing chilled water. The idea would be to make chilled water for the central cooling plant at night and as a result lower the peak demand curve on their power consumption. As a result, they could use electrical power billed at a base rate rather than at peak rates. They anticipate the need for a two million gallon tank and are currently talking to several firms who could do the work. This project would add redundancy to their central plan and provide additional current for the Data Center. At the present time, if they had a utility outage at the central plant, the Data Center would see the effect of that in 15 to 20 minutes. They wanted to notify the Building Board of their plans. This is within their delegation authority and they are not asking for O & M.

Steve Bankhead asked if this would be a project that the University would require funding from the Legislature. Mr. Hart answered that the University would fund this project internally.

Chairman Sowerby questioned if USU had projected the savings using off peak power and if they knew how much money it would save? Mr. Hart indicated that it would be less than \$100,000 a year.

Director Gregg Buxton asked what was the life of the tank? Mr. Hart said they were thinking about a post tension tank which would probably have a fifty year life or more. There would be some kind of reinforcement tensioning after the concrete portion was poured. The idea would be that the tank would be poured in sections and tied together to prevent leakage.

There was some conversation between Director Buxton and Chairman Sowerby about whether this was an informational item or an action item. Since it was listed on the agenda as an action item, Chairman Sowerby asked if there was a motion to approve.

MOTION: Wilbern McDougal moved to approve the Design Approval for the Chilled Water Thermal Storage System. The motion was seconded by Steve Bankhead and passed unanimously.

☐ PROPOSED AMENDMENTS TO THE RULE: ACTION ITEMS R-23-22-7. REQUIREMENTS FOR THE DISPOSITION OF REAL PROEPRTY.....

Alan Bachman said that when this rule was previously submitted several months ago there was some question from John Nixon from the GOPB regarding what happens when the rule goes from the Building Board to the next level. Does it go to the Governor's Office or the Legislature? They did not address that question in this rule

because previously they indicated that the rule would go to the Legislative Management Committee. However, most of DFCM's real property transactions do not involve historically significant properties. Most are well under \$500,000 and in fact since the rule was adopted nothing has come up where they would need to worry about this particular issue. By adopting this rule change, it makes the authority of the Director of DFCM more inclusive and alleviates having to go to the Legislative Management Committee. The Legislative and Executive side both agree that we should make this rule change.

MOTION: Steve Bankhead moved to approve the amendments to R23-22-7. The motion was seconded by Wilbern McDougal and passed unanimously.

☐ ADMINISTRATIVE REPORTS FOR UNIVERSITY OF UTAH AND UTAH STATE UNIVERSITY

Ken Nye was the spokesman for the University of Utah. He reported that under Professional Services agreements there were five design agreements and two other agreements. On Construction Contracts there was one remodeling contract and three site improvement contracts. There was no activity in the Project Reserve fund.

The Contingency Reserve fund does not show a repayment of funds from last month; however this repayment is in progress and will reflect on their next report. They had two decreases to the Contingency Reserve fund. The High Temperature Water Lines Replacement in the Health Sciences area was a transfer of \$88,230 to cover the cost of removing and replacing vault lids in order to shorten the time the system needs to be down while the new line was being tied into existing buildings. Their objective was to reduce the impact on the campus hot water system which would require a shut down of hot water to the Hale Sciences campus area for two months if they continued with this plan. Mr. Nye reminded the Board that not having hot water in August or September may not seem like a big inconvenience, however there is a tremendous amount of research going on in that part of campus that requires steam for autoclaves and other research equipment as well as the need to sterilize. They determined that it would be to their advantage to remove the vaults which would greatly shorten the shut down time and reduce impacts. There were also repairs to an existing storm drain and other unknown conditions including asbestos discovered at a building connection. Chairman Mel Sowerby asked if these were band-aids to the high temperature water system and Mr. Nye responded that they were not. They were full permanent replacement with triple walled pipe. The second draw of \$45,349 for HPER Complex High Temperature Water Lines covers the cost of tying the new line into their system. They were in the design process of this project and put it out to bid quickly without having the last piece of how they were going to connect into the new tunnel system. They didn't have that

resolved yet, but felt they had to proceed quickly because of continuous failures in the system.

Their Contingency fund quarterly report on page five reflects cumulative amount draws from all of their projects in capital improvements. Most of their projects end up not drawing anything out of contingency, however the projects listed in this report show a greater number of high temperature water line projects which involve digging in the ground or dealing with other areas where they have greater risks on all conditions.

Improvement projects are summarized on page six. They anticipate the majority of FY 2009 projects will be closed out by the next quarterly report. Some of the projects have some final punch list items and some are actually now closed but did not make the deadline for this report.

Chairman Sowerby asked Mr. Nye to clarify the total amount they are allowed under delegation and Mr. Nye responded that it was ten million dollars per project.

Director Gregg Buxton questioned why they were still working on 2006 projects. Mr. Nye indicated they had two very challenging projects during 2006. One involved the glazing for the Student Services Building. This project involved cosmetic repair to the concrete, but as they got more into the project they discovered the concrete was in worse shape than originally understood. They made several efforts to find a solution to remedy the problem within budget. After the third or fourth iteration they found an affordable solution which will be a capital request in the future. The next job included demolition and abatement work that needed to be done at the conclusion of the co-generations plant project. This project was scheduled for completion about one and a half years ago however they experienced a system failure as they were taking the plant off line. As a result of that failure, it took contractors and engineers a year to get this fully resolved and rebuilt. This project will be closed by the next report.

Director Buxton also questioned some issues involving the Fletcher Building Fume Hood. Mr. Nye indicated when they completed the design of this project and went to the building code for review they identified some issues with noise ordinances that had not been anticipated. They had to go back and hire special consultants to deal with noise levels to guarantee that code requirements were met. This project is currently out to bid.

Director Buxton also asked for some clarification on the Price Museum Fine Arts window replacement. Mr. Nye explained this year when they needed to reallocated capital improvement funds to the high temperature water project, they took the balance of funding for the museum (other than what was required to compete the study) and put it over into the high temperature water. Mr. Nye said that the original funding for the museum was approximately \$225,000 to \$250,000. The \$59,000 was the amount not

being directed to high temperature water, plus \$14,000 for the cost of the study, remained in the net budget. Mr. Buxton stated that the University had completed the study but currently does not have the funds to complete the project. Mr. Nye replied that was a cost decision they had to make. They had to find the money to move over to take care of this urgent situation.

MOTION: Steve Bankhead moved to approve the administrative report for the University of Utah. The motion was seconded by George Daines and passed unanimously.

Ben Berrett gave the administrative report for Utah State University. Mr. Berrett indicated they had three professional contracts issued this month and eight construction contracts. There were no significant items in the Contingency Reserve fund and Project Reserve had no activity. There were two professional contracts, both associated with this year's capital improvement projects – one with the Botanical Center Classroom being built on the Botanical Center property in Kaysville. Construction contracts are mostly capital improvement projects. They have all but one of two under contract already and are making good progress. The Contingency Reserve fund had four small change orders that were in the amount of a couple of thousand dollars. There were no decreases in the project reserve fund

MOTION: Steve Bankhead moved to approve the administrative report of Utah State University. The motion was seconded by Wilbern McDougal and passed unanimously.

☐ ADMINISTRATIVE REPORTS FOR DFCM.....

Kurt Baxter indicated that there were thirty-two architectural/engineering agreements awarded. Some of the largest and most significant projects that are under contract with professional services include Southern Utah University programming for their new Museum of Art for about \$135,000 which is another non-state funded project. Southern Utah also obtained the funding for their new stadium for about \$94,090. The University of Utah, Henry B. Eyring Chemistry Building for \$151,000 non-state funded. Under construction, there were no significant items however they have had several boiler replacements this month. Utah Valley University Pope Science Building Addition came in at \$31 Million. This bid was significantly lower than expected so the Legislature will get some savings there. Mr. Buxton reminded Mr. Baxter that the Legislature is observing the status and savings on these projects. When projects are completed with substantial savings then the balance of the funds allotted to the project should be returned to offset any state budget shortfall. Mr. Baxter continued his report indicating there were several items from the Contingency Reserve fund. Mountainland ATC Northern Utah Building in Lehi was getting close to completion. They had several change orders totaling \$129,000. The U of U Museum of Natural History, the

Neuroscience Research Center and the USU Life Science Center are major change orders that affected the Contingency Reserve fund this month. That reserve fund stands a little over \$7 Million which according to our accounting department is healthy at this point and not too large. It is large enough that we feel confident that we can cover anything within the near future as far a contingency goes. The project reserve fund is also healthy. They had several increases to that fund based on projects coming on line and just getting started. The beginning balance was \$5.7 million at the end of the fiscal year and it is now at \$6.1 million at the end of August. Emergency funds are probably a little lower than they like to see them but they are having problems with boilers going out as well as HVAC problems with agencies and institutions. There are state-wide roofing projects going on also. Mr. Baxter said this is a busy time of year for construction.

Mel Sowerby suggested that they entertained a motion to adjourn.

Wilbern McDougal made some comments concerning Governor Gary Herbert interview with Bloomberg Financial and the report on the future of Utah. He would like to know the percentage of students who stay in Utah after being educated here and Commissioner Greg Stauffer from the Office of Higher Education said he would work on obtaining that information.

Mel Sowerby again suggested that they entertain a motion to adjourn.

☐ ADJOURNMENT.....

MOTION: George Daines moved to adjourn at 8:45 a.m. The motion was seconded by Steve Bankhead and passed unanimously.

There was considerable discussion concerning the date of the next Building Board meeting. Cee Cee Niederhauser clarified that the next meeting would be October 6 and would include the Capital Facilities presentations. Three weeks later the Board will meet on October 27 for completion of prioritizations.