

The Regents of the University of California

**COMMITTEE ON GROUNDS AND BUILDINGS**

May 16, 2001

The Committee on Grounds and Buildings met on the above date at UCSF–Laurel Heights, San Francisco.

Members present: Regents Atkinson, Connerly, Davies, Eastin, Hopkinson, O. Johnson, S. Johnson, Kohn, Kozberg, and Marcus; Advisory members T. Davis, Morrison, and Seymour

In attendance: Regents Lansing, Lee, Miura, Montoya, Moores, Preuss, and Sayles, Faculty Representative Viswanathan, Secretary Trivette, General Counsel Holst, Provost King, Senior Vice Presidents Darling and Mullinix, Vice Presidents Broome, Drake, and Gurtner, Interim Vice President Gómez, Chancellors Bishop, Carnesale, Cicerone, Dynes, Greenwood, Orbach, Tomlinson-Keasey, Vanderhoef, and Yang, and Recording Secretary Bryan

The meeting convened at 12:20 p.m. with Committee Chair Kozberg presiding.

**1. APPROVAL OF MINUTES OF PREVIOUS MEETING**

Upon motion duly made and seconded, the minutes of the meeting of March 15, 2001 were approved.

**2. CONSENT AGENDA**

**A. *Adoption of Tiered Mitigated Negative Declaration and Approval of Design, Genome Launch Facility, Davis Campus***

The President recommended that, upon review and consideration of the environmental consequences of the project as indicated in the Tiered Initial Study/Mitigated Negative Declaration, the Committee:

- (1) Adopt the Tiered Initial Study/Mitigated Negative Declaration.
- (2) Adopt the Findings and Mitigation Monitoring Program.
- (3) Approve the design of the Genome Launch Facility, Davis campus.

[The Tiered Initial Study/Mitigated Negative Declaration, Findings, and Mitigation Monitoring Program were mailed to all Regents in advance of the meeting, and copies are on file in the Office of the Secretary.]

**B. *Adoption of Initial Study/Tiered Mitigated Declaration, Amendment of Long Range Development Plan, and Approval of Design, Center for the Medical Investigation of Neurodevelopmental Disorders (M.I.N.D. Institute), Davis Campus***

The President recommended that, upon review and consideration of the environmental consequences of the project as indicated in the Initial Study/Tiered Mitigated Negative Declaration, the Committee recommend that The Regents:

- (1) Adopt the Initial Study/Tiered Mitigated Negative Declaration.
- (2) Adopt the Findings and Mitigation Monitoring Program.
- (3) Approve the amendment of the UC DMC Long Range Development Plan to include the project site.
- (4) Approve the design of Phases 1 and 2 of the UC Davis Center for the Medical Investigation of Neurodevelopmental Disorders (M.I.N.D. Institute).

[The Initial Study/Tiered Mitigated Negative Declaration, Findings, and Mitigation Monitoring Program were mailed to all Regents in advance of the meeting, and copies are on file in the Office of the Secretary.]

**C. *Certification of Environmental Impact Report, Amendment of Long Range Development Plan, and Approval of Design, Intramural Field Parking Structure, Los Angeles Campus***

The President recommended that, upon review and consideration of the environmental consequences of the project as indicated in the Final Environmental Impact report, the Committee recommend that The Regents:

- (1) Certify the Environmental Impact Report.
- (2) Adopt the Findings, Statement of Overriding Considerations, and Mitigation Monitoring Program.
- (3) Amend the UCLA 1990 Long Range Development Plan to transfer 3,600 gsf from the Southwest Zone to the Central Zone to accommodate the project.
- (4) Approve the design of the underground Intramural Field Parking Structure, Los Angeles campus.

[The Environmental Impact Report, Findings, Statement of Overriding Considerations, and Mitigation Monitoring Program were mailed to all Regents in advance of the meeting, and copies are on file in the Office of the Secretary.]

D. ***Adoption of Initial Study/Mitigated Negative Declaration and Approval of Design, Life Sciences Building, Santa Barbara Campus***

The President recommended that, upon review and consideration of the environmental consequences of the proposed project as indicated in the Initial Study/Mitigated Negative Declaration, the Committee:

- (1) Adopt the Initial Study/Mitigated Negative Declaration.
- (2) Adopt the Findings and Mitigation Monitoring Program.
- (3) Approval of the design of the Life Sciences Building, Santa Barbara campus.

[The Initial Study/Mitigated Negative Declaration, Findings, and Mitigation Monitoring Program were mailed to all Regents in advance of the meeting, and copies are on file in the Office of the Secretary.]

E. ***Adoption of the Addendum to Environmental Impact Report and Approval of Design, Marine Science Research Building, Santa Barbara Campus***

The President recommended that, upon review and consideration of the environmental consequences of the proposed project as indicated in the Addendum to the Final Environmental Impact Report for the Environmental Sciences and Marine Science Institute Buildings, certified by The Regents in May 1994, the Committee:

- (1) Adopt the Findings and EIR Addendum.
- (2) Approve the revised design of the Marine Science Research Building, Santa Barbara campus.

[The Findings and EIR Addendum were mailed to all Regents in advance of the meeting, and copies are on file in the Office of the Secretary.]

Upon motion duly made and seconded, the Committee approved the President's recommendations, with the exception of Item D., which was considered separately, and voted to present them to the Board.

Secretary Trivette drew attention to the report of communications received pertaining to Item D., *Adoption of Initial Study/Mitigated Negative Declaration and Approval of Design, Life Sciences Building, Santa Barbara Campus* and Item E., *Adoption of the Addendum to Environmental Impact Report and Approval of Design, Marine Science Research Building, Santa Barbara Campus*.

Committee Chair Kozberg believed that the project described in Item D. was solid and well conceived. Senior Vice President Mullinix commented that a complete environmental impact process had been undertaken and that Chancellor Yang had been working closely with county officials to assure that their comments concerning public safety and traffic were taken into account. General Counsel Holst confirmed that all environmental requirements had been satisfied.

Regent Hopkinson requested a future discussion about the philosophy of design for the Santa Barbara campus. President Atkinson suggested that Chancellor Yang discuss the issue at the Regents' June visit to the Santa Barbara campus.

Upon motion duly made and seconded, the Committee approved the President's recommendation of Item D. and voted to present it to the Board.

### 3. **STATUS OF RESPONSE TO THE CALIFORNIA ENERGY CRISIS**

Senior Vice President Mullinix observed that the University is among the largest consumers of energy in the state, using approximately 350 megawatts (MW) of electricity at peak. Of this amount, it generates over 100 megawatts at generation plants on several campuses.

Mr. Mullinix reported that this summer California is facing not only electrical outages but also shortages of natural gas. The forecast is that both on-site and off-site University facilities are likely to be exposed to electricity and gas shortages through the summer months and into the winter. In particular, many University facilities that were previously exempted from rolling blackouts due to their status as high voltage customers have been reclassified by the California Public Utilities Commission as non-exempt.

The California energy crisis has highlighted how critical energy reliability and cost control have become to the University. In preparation for the summer, the University has taken several actions to protect mission critical programs and facilities.

#### Budget Impacts

Energy expenditures for electricity, about \$87 million currently, will hinge on the contract that the University is able to negotiate by March 31, 2002, when a contract with Enron is due to expire. Gas expenditures are not tied to electricity rates or to the Enron contract and have already been significantly affected by price increases. The projection for gas expenditures this fiscal year is \$74 million. In 2001-02 and beyond, the expectation is that expenditures will rise to \$119 million per year.

The Budget Office is actively seeking budgetary relief through the Department of Finance for shortfalls in the current year as well as for future years.

UC's Near Term Actions

- *Energy Emergency Planning:* In March the University established the Energy Emergency Planning Team under the leadership of Facilities Management in the Office of the President. The team consists of energy and utilities planning and emergency response specialists from the Office of the President and the campuses. Borrowing heavily from the Y2K planning and preparation model used two years ago, the team was charged with preparing for disruptions in the delivery of electricity and gas to the campuses and developing an efficient and organized mechanism to communicate information between campuses and the Office of the President about these disruptions.

The program being developed has three major components: updated campus emergency plans and operations appropriate for energy outages; notification procedures for gas curtailment and grid status updates; and campus status reports on impacts of gas curtailments, electrical outages, and energy emergency planning efforts.

- *Peak Load Reduction Program:* In response to legislation passed last session, the University, in partnership with the California State University, is actively preparing peak load reduction plans for each campus. These plans will implement short-term load reduction strategies to provide relief to the grid and will cause the least impact to critical activities. In partnership with CSU, the University will provide a minimum of 10 MW of demand reduction to the electric grid within a 35-minute notification period. Campuses will cut energy consumption by shedding pre-identified, non-essential loads, turning down lights, and slowing down selected fan motors.
- *Energy Project Submission to Department of Finance:* In February, the University submitted a list of energy efficiency and generation expanding projects totaling over 80 MW to the Department of Finance. These projects could be implemented in 18 to 20 months if the funding were made available immediately and if the procedural and regulatory process could be streamlined.

The Budget Office continues to work with the Department of Finance to pursue funding for these projects. In the meantime, the Office of the President is exploring other alternatives such as third-party financing and grant programs.

The Enron Contract

It was recalled that in 1998 the University formed a strategic partnership with CSU by entering jointly into a four-year, \$300 million contract with Enron Corporation for the purchase of electricity. This agreement, known as a Direct Access Services Agreement,

is due to expire on March 31, 2002. It has netted UC and CSU tremendous cost avoidance and budget stability, plus a number of other energy management and efficiency enhancing services.

In February Enron notified the Universities that they could no longer provide this direct access service, citing unforeseen market conditions and commercial impracticality. The Universities have taken the position that Enron is obligated to continue performing all of its duties under the terms of the agreement and that its failure to do so constitutes breach of contract. On April 11, the Federal Court in San Francisco issued a preliminary injunction ordering Enron to restore the Universities to direct access status. Enron appealed to the 9<sup>th</sup> Circuit Court of Appeals, which overturned the injunction. The Universities must begin an intense planning effort to determine where and how they will obtain their power after April 1, 2002.

UC's Long Term Actions

- *Strategic Energy Plans:* Strategic Energy Plans (SEP) have been completed at one campus and one medical center, and four more are in progress. Most of the remaining campuses and medical centers will begin work on their SEPs by early summer. The SEP planning effort, audited by the California Institute of Energy Efficiency, will identify longer-term energy strategies for each campus and field station and will be an important chapter in the Long Range Development Plans for the respective campuses.
- *Sustainable Building Practices:* The Governor's Executive Order D 16 requires incorporation of sustainable building practices into the planning, operations, policymaking, and regulatory functions of State entities. The Regents of the University of California is specifically encouraged to comply. Systemwide policy on sustainable building construction and operating practices is being formulated by the Office of the President in consultation with campus units.

The University continues to practice active energy management. As a result of many years of aggressive management, it has been one of the most successful entities in the state in implementing energy programs and negotiating contracts. The continued success of its energy performance will require maintaining the strategic energy planning efforts at the Office of the President and at the campuses. Success will also depend on its ability to invest in on-site energy infrastructure and on managing its loads efficiently.

For longer-term viability, the University also must invest in new energy efficiency technologies and in renewable energy. These investments and proactive management will continue to aim for energy sources that are reliable, that have minimal impact on the environment, and that provide protection from marketplace price volatility.

Mr. Mullinix reported that a number of funding requests had been submitted to the Department of Finance, some of which concerned intermediate and longer-term actions

of a capital nature that the University was taking. No positive response has been received. If it appears that no immediate funding is available, a reassessment will be done to determine whether any of those items may be integrated with existing University budgets.

Mr. Mullinix noted that the Governor's amended budget proposes \$100 million for energy relief for this year and next year. The money would become available at the beginning of next year but would cover increased energy costs for the two years. It is not believed, based on current estimates, that the amount will be sufficient to cover all cost increases, but it will make a substantial contribution.

Regent Lee asked whether the University has an energy savings plan. Mr. Mullinix responded affirmatively and explained that some of its programs were designed for long-term financial savings and some were designed to reduce consumption at critical periods. He did not believe the University's electrical costs would increase this year or that surcharges were likely to be imposed on users.

In response to a question from Regent Eastin, Mr. Mullinix confirmed that all the campuses have aggressive recycling programs that have made dramatic reductions in the amount of waste to be disposed of.

Regent Kozberg noted that the legislature is likely to make a large amount of money available for energy conservation. She asked whether the University was entitled to any of those dollars. Mr. Mullinix responded that the University has already received grants under various State programs. The University has submitted to the Department of Finance a three-tiered program that prioritizes actions the University can take to become self-sufficient in energy.

Regent Sayles asked for an assessment of the level of conservation awareness on campuses. Chancellor Cicerone reported that students and staff on his campus have responded well when called upon to increase their conservation measures.

The meeting adjourned at 12:35 p.m.

Attest:

Secretary