

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Approved by the Regents

October 15, 2009

Subject: Central Power Plant
Water Treatment System Improvements

Action
Requested: Approval to Proceed with Project


Background:

The Central Power Plant provides low-pressure steam for heating and cooling to Central Campus and Medical Campus buildings. This project will improve water quality by replacing the existing make-up water demineralizers with two reverse osmosis units, providing additional water storage capacity, pumps, and specific water treatment for the combustion turbines to lower nitrogen dioxide emissions. The reverse osmosis system will provide better water quality with fewer chemicals used in the process, leading to improved energy efficiency and overall operational efficiency. The scope of this project includes the architectural, mechanical and electrical work necessary to accomplish these improvements. There will be no impact on parking from this project.

The estimated cost of the project is \$2,600,000. Funding will be provided from Utility resources. The construction cash flow may be provided, all or in part, by increasing the commercial paper issuance under the commercial paper program, secured by a pledge of General Revenues, and authorized by the Board of Regents. The University of Michigan Department of Architecture, Engineering and Construction will design the project. Construction is scheduled to be completed in the winter of 2011.

We recommend that the Board of Regents approve the Central Power Plant Water Treatment System Improvements project as described, and authorize issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

October 2009