

STATE BUDGET COMMITTEE MEETING MINUTES
March 4, 2009

MEMBERS:

Rep. Jeffrey K. Espich, Chairman
Rep. Dennis T. Avery
Sen. Luke Kenley
Sen. John E. Broden
Christopher A. Ruhl, Budget Director

Alternate Members:

Rep. Peggy Welch
Rep. Randy Borrer
Sen. Brandt Hershman
Sen. Karen Tallian

The State Budget Committee members independently considered the following University item on March 4, 2009.

University Projects:

- | | |
|---------------------------------------|--------------|
| 1. <u>Ball State University (780)</u> | \$41,800,000 |
| Boiler Plant Replacement | |
| Project No. D-1-05-1-02 (Revised) | |

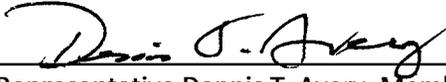
Ball State University requests authorization to revise its Budget Committee authorization to proceed with the replacement of its Boiler Plant. The University presented a plan in June 2007 to replace its Boiler Plant with a 100,000 pph Circulating Fluidized Bed (CFB) boiler. After receiving permanent financing approval from the Budget Director and issuing bonds, the University issued an RFP to which no responses were received. Because the CFB option was not financially possible, the University engaged engineers to design a geothermal based heat pump chiller system. The University now proposes utilizing that geothermal heat pump chiller system. The proposed system will include three energy centers containing heat pump chillers, controls and pumping equipment. Each energy center will be connected to approximately 1,250 boreholes drilled in multiple well fields spaced around the campus. Funds available from this bond issue are expected to pay for two of the three energy centers and related well fields. The present chiller piping system to each building will be reused. A new hot water distribution loop will be installed. Existing buildings that currently use hot water for heating will not require new air handling units. Buildings that do not use hot water for heating will have to be converted over time and are not included in the price of this project. Two existing stoker boilers will be decommissioned as buildings are connected to the geothermal system. Once the existing boilers are decommissioned, it is expected that this project will save \$1 million annually in operating costs. The University is not requesting plant expansion funding as part of this project.

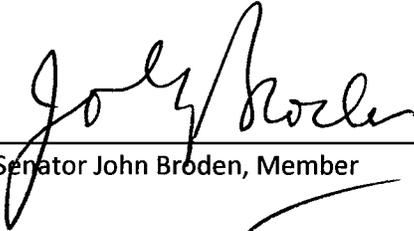
Funding: 2005 Bonding Authority
Annual fee replacement 20 years \$3.3 million/year
No annual plant expansion requested
CHE Review: February 13, 2009

Pursuant to the provisions of IC 4-12-1 and IC 21-33, the State Budget Committee recommends approval of this project.


Representative Jeffrey K. Espich, Chair


Senator Luke Kenley, Member


Representative Dennis T. Avery, Member


Senator John Broden, Member


Christopher A. Ruhl, State Budget Director