

**Bond Reimbursement and Grant Review Committee Meeting Draft Minutes
December 5, 2012
Department of Education and Early Development
Talking Books Library
Anchorage, Alaska**

Committee Members	EED Staff	Other Attendees
Elizabeth (Sweeney) Nudelman - Chair	Kimberly Andrews	David Norum (FNSBSD)
Mary Cary	Michael Gaede	Larry Morris (FNSBSD)
Carl John	Elwin Blackwell	Don Carney (MSBSD)
Doug Crevenston		Don Hiley (SERRC)
Bob Tucker		Rachel Molina Lodoen (ASD)
Mark Langberg		Bob Reed (LYSD)
Dean Henrick		Kathy Christy (NWABSD)
		Bob Bechtold (MSBSD)

CALL TO ORDER AND ROLL CALL AT 1:00PM

REVIEW and APPROVAL of AGENDA

Carl John requested that the time limit for public comment be increased.

Elizabeth Nudelman noted that only three people signed up for public comment. An additional five minutes would be given to the public comment portion of the meeting and, if necessary, additional time could be allotted.

Agenda approved as submitted.

REVIEW and APPROVAL of MINUTES

Minutes approved as submitted.

PUBLIC COMMENT

David Norum, Director of Facilities, FNSBSD

Distributed statement and asked the BRGR Committee if it was necessary to read his statement word-for-word. After it was noted that his written statement would be entered into public record, he introduced himself and read his statement (attached). He then reiterated his concern that the planning and design categories were driving the placement of projects on the CIP lists.

Larry Morris, Project and Grounds Manager, FNSBSD

Commented on the energy standard that the BRGR Committee would be voting on later in the meeting. Stated that Federal energy code requires the State to adopt ASHRAE 2010 by October 2013. Noted that if the BRGR Committee accepts the current proposal, then it would be out of date within ten months. He suggested the BRGR Committee to re-review the proposal and accept the IECC or ASHRAE 90.1, whichever code is more stringent, or to just adopt ASHRAE 90.1 – 2010. He stated that the 2010 edition can provide more savings than the other options. Also brought up an issue that FNSBSD is having

with regards to the square footage calculations. He noted that because of EED's calculations of gross square footage, whenever the district adds insulation they would have to add it to the inside of the facility, which would decrease classroom space. This would also increase renovation costs by making it necessary to reconfigure electrical wires, interior spaces, and move vapor barriers. If the district was to add insulation to the exterior of the facility, their gross square footage would increase, thus, would have an effect on their eligibility for space. He asked that the exterior insulation not be counted as additional square footage for their facilities.

Carl John, Director of Capital Projects, LYSD
Read statement (attached).

Public Comment Closed.

STAFF BRIEFING

Elizabeth introduced the School Finance & Facilities staff that was present at the meeting: Elwin Blackwell, Mike Gaede, and Kimberly Andrews. *Elizabeth* noted that the section is working on rehiring for the Facilities Manager position. *Carl* asked if EED settled on a particular candidate, in which *Elizabeth* responded that HR needs to complete the process before an announcement is made.

PM UPDATE (STATE of the STATE) refer to pages 21-26 of 73

Mike Gaede discussed information from the packet, while noting that he would conduct a site visit to Tanana in 2013 in addition to the already listed sites. When asked what he considered the most difficult aspect of the State's requirements for reporting, he stated that there were two main issues:

1. Energy because it is difficult for districts to determine the consumption of fuel over the long-run;
2. Training because districts, generally, cannot afford to get proper training. Mentioned that districts have several options when it comes to training, including flying technicians in to train a whole group at once.

DEBT REIMBURSEMENT FUNDING STATUS (SB 237) refer to pages 27-34 of 73

Elwin Blackwell reviewed the data from the packet. He pointed out that there were only four new projects on the list, all of which are Ketchikan's.

Carl asked if a breakdown of approved funding for major maintenance and school construction since 2010 was available. *Kimberly* responded that EED does have that information on file. *Elizabeth* noted that the FY13 approved funding for major maintenance and school construction was roughly \$79M, which also included the Kasayulie funding.

FY2014 CIP REPORT refer to pages 35-50 of 73

Elwin reviewed the Initial CIP lists and the 6-year plan. He noted that some districts are using their Renewal and Replacement Schedules to help determine the needs for their 6-year plan.

There was discussion regarding the total amount for the six-year plan for all the districts. The Committee asked if the information could be presented to the legislature in order to show them the vast need for districts. *Elizabeth* responded that the CIP lists are given to the Governor's Office, and that it is a possibility that the FY15 six-year plan can be given to the Governor's Office in addition to the CIP lists. The Committee requested that a snapshot of the six-year plan be available at the next meeting, which would show the number of projects and amount of funding districts are anticipating each fiscal year.

The Committee requested that there be an additional agenda item, 6-Year Plan Formatting, is added at the next meeting. Suggested items for discussion included:

- Distinguishing between major maintenance and school construction
- Designate which districts are not reflected
- Limiting data
- Quantify the projects
- Discussion of accompanying letter

Mary asked if there was a standard metric when determining what EED will recommend to the Governor's Office. *Carl* asked if EED makes a recommendation to the Governor's Office on how far down the list to fund. *Elizabeth* responded that there was a deliberative process, not a standard metric.

BREAK

Elizabeth called to order at 2:45 PM

ENERGY STANDARD UPDATE AND MEMO WITH RECOMMENDATION refer to pages 51-73 of 73
Elizabeth reviewed the process of regulations: The BRGR Committee will make a recommendation to the State Board of Education, who will then request public comment. After public comments are received and reviewed, the State Board of Education can then create the regulation.

Mike reviewed the information presented in the BRGR packet. The energy codes and standards that were discussed were:

1. Leadership in Energy and Environmental Design (LEED)
2. Collaborative for High Performance School, American Association of Heating (CHPS)
3. International Code Council (ICC) Energy Conservation Code (IECC)
4. American Association of Heating, Air-conditioning and Refrigeration Engineers (ASHRAE) Standard 90.1
5. Alaska Housing Finance Corporation Building and Energy Efficiency Standards (BEES)

DEED Recommendation: Adoption of the 2009 IECC with the DEED specific amendment(BEES). DEED would also support the use of the AkWarm tool. The recommended language for 4 AAC 31.014(a)(7) would be:

”The International Energy Efficiency Code – 2009, as modified by the Alaska Specific Amendments adopted by the Bond Reimbursement and Grant Review Committee.”

The BRGR Committee decided the language should state:

“The International Energy Efficiency Code – 2009, as modified by the Alaska Specific Amendments recommended by the Bond Reimbursement and Grant Review Committee and adopted by the State Board of Education.”

The secondary recommendation of DEED is to encourage districts to look beyond the code established by DEED and to incorporate building system commissioning standards into design and construction of projects.

Bob asked why DEED is not already asking for commissioning of building systems, and noted that this should be put into regulation if possible.

General discussion ensued regarding if the department can require commissioning, what the threshold would be, who would commission the building systems, and the fact that district’s should be aware that building system commissioning is an allowable project cost.

Mike stated that IECC is going through the process of adapting AHFC 2012. He cautioned that it is not in the state’s best interest to be ahead of the curve for adopting codes; it may be better to be one step behind. Mike also mentioned that AHFC would be doing all the work for EED, but that EED does not have to follow exactly what AHFC determines: EED could decide which edition to follow.

Elizabeth noted that as the code is updated, EED would need to update the BEES document. The regulations would need to be updated whenever EED is ready to update IECC. The BRGR Committee would make the determination of when to update the standard.

Mark stated that it seemed odd that EED is trying to adopt a standard that is catered towards housing and residential, while modifying their standards and staying one step behind. Believes that EED should adopt the ASHRAE 90.1, which is updated every 3 years, or adopt IECC which is renewed every 3 years, and EED could adopt the latest version if necessary.

Mike responded that Sam was looking at BEES because there were some issues with IECC that were not relevant to Alaska. AHFC has Alaska specific amendments, which breaks out climate zones, and EED would throw out the residential specific info. He clarified that BEES are amendments to IECC codes.

Larry Morris said that since Alaska took federal stimulus funding, they fell under the federal Department of Energy’s energy guidance, which requires the state to adopt no less than AHSRAE 90.1 2010. He mentioned that the 2013 update is due next year, in which ASHRAE is working on it right now. Feds have mandated a minimum standard; AHFC is IECC, so EED would meet the minimum requirements.

Elizabeth mentioned that if the BRGR Committee adopted 2009 with BEES specific amendment without a requirement for commissioning, but with a recommendation, districts could commission even without the EED requirement. She asked if there would be an opportunity in the future to look at a commissioning piece, and wondered what the negatives would be to not having a commissioning piece ready at the meeting.

Mary also mentioned that there should be a cost/benefit analysis in order for EED to make a more informed decision on commissioning. She asked what the threshold should be for requiring or recommending the building system commissioning.

Bob noted that the Committee can either work on the commissioning portion and not move the energy efficiency recommendation forward, or move an energy efficiency recommendation forward and put the building system commissioning conversation on hold.

Carl recommended that the building system commissioning should be put into the regulations as highly recommended so that districts can include associated costs in their applications.

General discussion began regarding how the standards overlap, and that fact that whatever standards are recommended to the State Board will be the minimum standard for the districts.

PUBLIC COMMENT:

Don Hiley stated that the regulations all have cost implications. He noted that design costs are currently limited at 10%, and that if BRGR intended to include commissioning in projects then EED should look at increasing the design budget.

Don Carney noted that past guidelines were put into handbooks and were for use of the districts. Whenever there was an update to the standards the handbook would be updated, and this process has generally worked in the past. The advantage of including recommendations in handbooks is that the changes would not have to go back to the BRGR Committee before changes can be made.

Elizabeth showed concern about using the handbook methodology because it would allow EED to change standards without the public being involved. She noted that putting something into regulation is a better process.

Mark stated that recommendations can be included in handbooks; these are not regulations but more of an explanation of what EED would like to see. It would encourage districts, but it would not take the place of regulations.

Bob expressed interest in adopting ASHRAE 90.1 and including commendations in the handbooks.

Larry Morris stated his personal opinion is that ASHRAE is the better code to follow and design to; ASHRAE is the basis of IECC. He stated that you would not notice a difference by losing the BEES part of the code. ASHRAE does allow for an alternative energy method of performance. He stated that if there is an alternative way of meeting the goals, ASHRAE 90.1 allows you do use the alternative.

Elizabeth asked the BRGR Committee if they were comfortable moving away from IECC to the ASHRAE 90.1. She reminded the Committee that EED did solicit feedback from people who may not be in the room.

ACTION ITEMS:

Mark made a motion to have 4 AAC 31.014(a)(7) read:

ASHRAE 90.1 – 2010.

There was discussion that if there were updates in the ASHRAE code, the Committee would need to vote again on adopting the updated code.

Bob stated that he doesn't want to automatically adopt the new code without being able to review the information.

Mark made an amended motion to have 4 AAC 31.014(a)(7) as:

ASHRAE 90.1 – 2010 or later versions

Carl John seconded motion.

Elizabeth took a vote on the motion: Motion passed unanimously.

Elizabeth asked *Kimberly* which publications were ready to bring back to BRGR for their review. *Kimberly* responded that the Capital Project Administration Handbook should be ready for next meeting, which will include information regarding the energy cost consumption report. *Mary* asked if the handbook could reference which appropriate guidelines of when the energy cost consumption report would be required.

COMMITTEE MEMBER COMMENTS

Doug appreciated the public testimony and stated that the need to review the CIP application for changes still exists. He stated that even if no action is taken, there should be a structured meeting or workshop, with key stakeholders involved, to determine any issues with the CIP application. Although it may be a long meeting, there should be discussion around each category's points. He asked if this could be done within the next 3-4 months.

Elizabeth noted that the issues are still on the horizon.

Bob stated that there should be more discussion in general, and about the fact that there are circumstances where projects are completed beforehand because the district has available money, but the project does not get funded. He also wants to look at *Larry's* issue with the square footage in regards to energy efficiency and the size factors for facilities, which he noted could be a regulation issue. He

noted that the good public comments should not go to waste. Stated that although another look should be given to the CIP application, he doesn't want to rush any decisions.

Carl brought up the possibility of having an extension on the timing of the facility condition surveys. EED requires the condition surveys to be less than 4 years old, but this is a costly item to generate so frequently, upwards of \$30K-\$40K that comes out of the district's pocket unless they are reimbursed. He mentioned that maybe this can be extended out to five years. He lastly mentioned that he wants to look at bringing back the Adequacy of Documentation for scoring.

Mark would like to do the BRGR workshop but it would have to be in Anchorage in order to have input from more people.

Dean had no additional comment to add to what was already been said.

Mary said that maybe the BRGR Committee can ask which schools are higher on the radar for facility condition indexing for each district. She also mentioned that it would be nice to have representatives from school districts explain the benefits and challenges of using the facility condition indexing, and determine what affect this could have on approaching grant applications. She stated that her district uses the facility condition index and educational adequacy index to analyze each school for their efficiency and performance. She noted that this is not as detailed as a condition survey, but the cost was more reasonable.

Elizabeth thanked the School Facilities staff and the BRGR Committee for their work.

FUTURE MEETING DATE:

There was general discussion about the location, date, and topic of the Spring BRGR Committee meeting.

Meeting tentatively scheduled for April 4-5 in Anchorage.

The topic of discussion will be the possible application changes to act on at future meetings.

MEETING ADJOURNED 4:30PM

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