

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the Regents
November 15, 2007

ACTION REQUEST

Subject: Central Power Plant
Water Treatment System Improvements

Action Requested: Approval to Proceed with Project

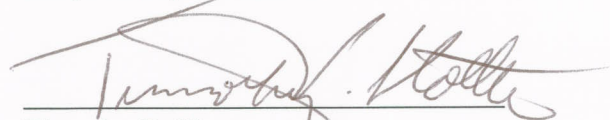
Background:

The Central Power Plant provides low-pressure steam for heating and cooling to Central Campus and Medical Campus buildings. This project will improve the water supply treatment system to meet industry standards. After the water supply treatment system is upgraded, less water and fewer chemicals will be used, and the process of producing steam will be more energy-efficient. 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 \$1,550,000. 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 Regents. The engineering firm of Black & Veatch will design the project. Construction is scheduled to be completed in Winter 2009.

We recommend that the 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

November 2007