

TO: Robert Donley
FROM: Doug True
RE: Flood of 2008 – Status
DATE: October 24, 2008

This is an update of the October 6 flood status report. Next week an oral report will be provided to the board at its meeting.

Power Plant Update

The University is optimistic that the goal of bringing the Main Power Plant back on line by November 1 will be met. Boiler #11, one of two solid fuel boilers at the Main Power Plant, has successfully been restarted. This boiler burns both coal and oat hulls. Since being energized there have been two occasions when the boiler was “tripped”, but the problems were addressed and the outages short-lived. Solid fuel boiler #10 is expected to be energized this week (Friday, October 24) or early next. Each solid fuel boiler produces approximately 170,000 pounds of steam per hour. The reliability of these units is critical for winter operations at the University.

The Main Power Plant’s two natural gas fired boilers have been operational since early October. These boilers each produce approximately 100,000 pounds of steam per hour. By contrast, the temporary boilers engaged immediately after the flood each produce ~60,000 pounds of steam per hour. Given the expected operational challenges due to the length of time the solid fuel boilers were idle, Power Plant operators anticipate utilizing the natural gas fired boilers to a greater degree than in past years. Shortly after boiler #10 is back in service, the University intends to disassemble the temporary, rented boiler located behind Burge Residence Hall and relocate it to the west campus. This temporary boiler will be co-located with the other temporary boiler serving UIHC in a winterized facility near the west campus chilled water plant. These units will serve as additional back-up for the health care campus through the winter.

Work on the steam distribution system continues to provide needed service and redundancy. Projects to “direct bury” steam lines on the east and west campuses are nearing completion. The new line through the Campus Recreation and Wellness Center construction site is expected to be tested and made available next week; the new direct bury steam line near Rienow and Slater Halls on the west campus is progressing on schedule. The steam lines (via tunnel system) providing service to the IMU and Iowa Advanced Technology Labs have been energized. Steam service will also soon be available through the tunnel system to buildings on the Arts Campus as well. However, heating (mechanical) systems within certain flood affected buildings have not been recovered. Therefore the University will be utilizing the services of Munters Corporation to provide temporary heating in some buildings on campus.

Facilities Management personnel are meeting with Stanley Consultants, HBK, Inc of Chicago (tunnel consultant), and Shive-Hattery to develop a system of bulk-head

barriers to protect the Main Power Plant from inundation of flood waters through the utility tunnel system. It is the University's intent to have these protective barriers in place by June 2009.

Other Flood Related Matters

The University has established an "Interim Solutions" committee to assess the intermediate term needs (1 to 3 years) of departments displaced by the flood. Representatives from the Provost's Office, College of Liberal Arts & Sciences, Facilities Management and Risk Management serve on the committee. Issues currently before this committee include evaluating additional intermediate-term options for the School of Music and the School of Art and Art History. Both Schools are in temporary quarters; however, some better options for facilities will need to be developed for extended temporary use.

The University has submitted "business interruption" claims with its insurance carrier – FM Global. Claims from UIHC and the Faculty Practice Plan have been processed, and we are expecting a \$4 million payment within the next week.

Financing – the University continues to work with representatives of the Iowa Department of Homeland Security and FEMA to process the necessary paperwork (project worksheets or "PW's") to obtain reimbursement for flood-related expenses. (The attached two-page document summarizes the status of buildings affected by the flood as well as programmatic and funding issues). The expeditious processing of these claims is crucial to avoid cash flow problems. I will be reporting to the Board next week the status of FEMA's response to University reimbursement needs.

Please let me know if you or Board members have questions.

Attachment

C: Regent Miles
Regent Evans
President Mason
Joan Racki