

SUBCOMMITTEE ON CAPITAL INVESTMENT STRATEGY

Meeting Minutes

May 31, 2022

10:30 a.m.

University of Florida, Gainesville, FL

Time Convened: 10:30 a.m.

Time Adjourned: 11:21 a.m.

Committee and Board members present:

David L. Brandon (Chair), Morteza “Mori” Hosseini (Board Chair), Thomas G. Kuntz, and Daniel T. O’Keefe.

Others present:

W. Kent Fuchs, President; Chris Cowen, Senior Vice President and Chief Financial Officer; Amy Hass, Vice President and General Counsel; Mark Kaplan, Vice President for Government and Community Relations and University Secretary; Curtis Reynolds, Vice President for Business Affairs; members of the University of Florida community, representatives from Goldman Sachs, Ballard Spahr and Jacobs, and the public.

1.0 Call to Order and Welcome

Chair Brandon welcomed everyone in attendance and called the meeting to order at 10:30 a.m.

2.0 Roll Call

Senior Vice President Chris Cowen conducted a roll call of all members present.

3.0 Discussion Item

3.1 Central Energy Plant

Chair Brandon began the discussion by explaining the purpose of the meeting was to provide an update on the Central Energy Plant project. Board Chair Hosseini provided background on the project and explained the importance of the project moving forward on schedule. Senior Vice President Cowen shared further information on the project outlining the goals of the project including meeting long-term needs of the University through sustainability, innovation, and the ability to adapt to new technologies in the future as they may become available while being as cost-effective as possible. SVP Cowen then introduced consultants from Goldman Sachs (financial), Joey Natoli and Chris Elmore, Jacobs (technology), Kevin Fox and Chuson McFadden, and Steve Park from Ballard Spahr (legal) and explained the team is hoping to have proposals submitted to the Board in fall 2022 and then to the Board of Governors (BOG) in January 2023. There was a conversation about increasing costs and ensuring that the University is getting the

best value without compromising quality. Joey Natoli, Managing Director of Investment Banking at Goldman Sachs, gave an overview of the remaining bid teams highlighting that each have experience in these types of projects. Trustee Kuntz and Committee Chair Brandon both agreed that the remaining teams are top tier. Kevin Fox, Vice President, Energy & Power Solutions at Jacobs, then provided an update on technical solutions for the project and gave a brief overview of the various parts of the project including steam, chilled water, and a substation in partnership with Duke Energy. He explained that the primary need of this project is to replace the steam source and reduce greenhouse gas emissions by 25%. He also stated that the bid teams must present the ability to adapt with technology over time. Trustee Kuntz asked if the University would be impacted by additional costs in the future. SVP Cowen explained that if or when new technology becomes available the P3 partner would be responsible for implementing and financing the modifications. Trustee Kuntz asked whether there is anything in the agreement with the bid team requiring them to implement changes. Kevin Fox explained that there is a mechanism in place.

Curtis Reynolds, Vice President for Business Affairs ensured that the bidding process is a tightly woven model. Board Chair Hosseini agreed that the model in place follows strict University Governance Standards and the BOG P3 guidelines and procurement rules. Chair Hosseini also reminded the committee that the Board makes the final decision, subject to final approval by the Board of Governors. Finally, Joey Natoli provided an outline of the next steps of the project and gave a tentative timeline. There was a brief conversation of BOG submission dates and Committee Chair Brandon requested a spreadsheet showing real costs and how the University will pay for them. SVP Cowen expressed an elevated focus on costs and budget and there was a discussion about how related costs will impact the University as a whole.

4.0 New Business

There was no new business to come before the committee.

5.0 Adjourn

There being no further discussion, the meeting was adjourned at 11:21 a.m.