

BOND REIMBURSEMENT & GRANT REVIEW COMMITTEE

Tuesday, June 16, 2020 - 1:30 p.m. – 3:49 p.m.

APPROVED MEETING MINUTES

Committee Members Present

Heidi Teshner, Chair
Senator Cathy Giessel
Randy Williams
Dale Smythe
William Glumac
Don Hiley
David Kingsland

Staff

Tim Mearig
Lori Weed
Sharol Roys

Additional Participants

Kevin Lyon, Kenai Pen. SD
Larry Morris

June 16, 2020

CALL TO ORDER and ROLL CALL at 1:32 p.m.

Chair Heidi Teshner called the meeting to order at 1:32 p.m. Roll call and introduction of members present; James Estes excused. Quorum was established to conduct business.

PAST MEETING MINUTES REVIEW/APPROVAL – April 14 – 15, 2020

William Glumac **MOVED** to approve the minutes as presented, **SECONDED** by Dale Smythe. Hearing no objection, the motion **PASSED**, and the minutes were approved as presented.

CHAIR'S OPENING REMARKS

Chair Teshner thanked members of the committee for their attendance, and she appreciated each of them for supporting the Department and continuing to do the work in the subcommittees.

DEPARTMENT BRIEFING – CIP Workshop Debrief

Tim Mearig thanked Lori Weed and Larry Morris for their efforts in the 2020 CIP Workshop. He noted that due to the pandemic, the workshop morphed from an on-site meeting to a series of WebEx delivered content. The content was excellent, and there was great interaction by participants.

Don Hiley commented that the workshop was good, although when it can't be done in person, people miss out on the networking aspect of such an event. It was nice that some people who ordinarily aren't able to attend were able to. Lori Weed agreed that there were new people in attendance, particularly from Southeast, that don't normally attend because of the Anchorage location of the workshop. They had a lot of new superintendents, new facility directors, and other facilities maintenance people that were able to join for the first time.

SUBCOMMITTEE REPORTS

Design Ratios

Dale Smythe referred committee members to the summary report in their packets. He stated that the subcommittee is still working on the language for the O:EW design ratio recommendation. Once that is finalized within the subcommittee, it will be brought before the full committee. He noted that the intent is to continue down the same path of taking the design ratios related to

building compactness, compare those to the information they have on performance of existing structures as well as some rules of thumb that they now know from the cost modeling and relate it to building compactness. The idea is that they will be providing ratio guides for those measurement that determine volume.

Tim Mearig noted that the way they measure volume and efficiencies of buildings is very important, and these are some key industry metrics they are trying to vet for use in Alaska on schools that will help designers around the state in terms of cost-effective school construction.

Model School

Don Hiley reported that BDS Architects was put under contract in April 2020 to start to create the Model School standard and the template for how things would be added to that standard in the future. In mid-May BDS delivered their first draft standard in three parts: Purpose and use, design principles, and more specific system standards. The Model School standard had largely been based on a standard from the state of Maine and hadn't become Alaska specific yet. There was discussion and comments provided that they needed to ensure it wasn't a duplication of state and federal regulations, building codes, and so forth. They also discussed ensuring the standards don't get contradicted within itself. With that further direction, BDS Architects recently completed another draft that has been distributed to the committee in a supplemental packet. The Model School Subcommittee has not had another meeting to discuss this or to receive comments from others on it.

Commissioning

Randy Williams reported that there has not been much activity for the Commissioning Subcommittee. This subcommittee's main task was to provide assistance to the Department for developing a tool for identifying candidate schools for recommissioning. They currently have no other meetings planned for the future.

School Space

Dale Smythe reported that the School Space Subcommittee is currently on hold after discussion on the importance of completing the design ratios. He stated that this subcommittee plans to resume meeting in September after the ratios are finalized in August.

ACTION ITEM: DESIGN RATIO APPROVAL

Chair Teshner stated that approval of the design ratio will be postponed pending finalization.

PREVENTATIVE MAINTENANCE REGULATION IMPLEMENTATION

Proposed Tools and Metrics for Retro/Recommissioning

Tim Mearig stated that he was with the Department when they initially rolled out the Preventative Maintenance Standards that were created through a special legislative appointed committee, the Preventative Maintenance Task Force, in 1999. It took a couple of years to get traction with those standards and to get districts to a point where they understood the process of watching maintenance and facility management practices as they were required to. Tim stated that they have identified at the committee and State Board level the benefit of periodically recommissioning existing buildings. He directed committee members to the background statement in the meeting packet that highlights that, as part of a district energy management plan,

one component of facility management and maintenance management is to evaluate the effectiveness and need for commissioning in existing buildings.

Tim stated that they hope to start the process of testing district compliance with that regulation during the upcoming preventative maintenance assessment cycle, which traditionally runs from November 1 through June 1. They typically do a fifth of districts per year in this cycle, but because this is a new requirement, the Department needs to have a way for every district to add this to their requirements in the upcoming FY'21 cycle. The Department is sensitive to the need to help districts in an effective, simple way.

Tim Mearig stated that the briefing paper on this topic is to outline for the committee what the department is doing, and the Department seeks the committee's assistance with the options presented therein. The options presented for discussion are as follows:

Option 1 – District Tools/District Metrics

Under this option, a district would demonstrate compliance with the regulation requirements by asserting its own retro commissioning needs evaluation (EUI-based), effectiveness assessment, and regularity with an annual minimum.

Option 2 – Department Tools/Department Metrics

Under this option, a district would demonstrate compliance with the regulation by using the DEED-supplied retro commissioning needs evaluation and effectiveness assessment tools on an annual basis.

Option 3 – Department/District Collaboration Using EPA's Portfolio Manager

Under this option, districts and the Department would collaborate and adopt the EPA Energy Star platform as the process for demonstrating compliance with the regulation in the area of retro commissioning needs evaluation and effectiveness assessment.

Dale Smythe asked if there was a sense for the impact to the school district on potential efforts or costs for them to implement one option over the other. Tim Mearig responded that there hasn't been a cost-based analysis, but the Department expects that of all the options, Option 1 would be the most intensive requirement for districts, and Option 2 would be the least because the Department provides a set of criteria tools. Option 3 would be somewhat of a learning curve for both the Department and the district.

Don Hiley recognizes that this is a requirement, understands the purpose of it, and does not have any issue with the intent. His only concern is the difference in the districts that they are dealing with relative to the number of students served and the availability and technological sophistication of maintenance staff. Smaller districts are already having problems trying to just do energy reporting. Some districts are trying to go out and buy meters and all kinds of equipment solely to meet the department's regulations so they can keep their programs certified. This just adds one more layer on top of that. He feels that they are making them go figure all this out, track all this information, and then figure out whether they need retro commissioning without bothering to care whether or not the district can even afford to have a building retro commissioned. This is a one-size-fits-all solution where there are some very vast differences in districts' and maintenance programs' abilities to do things. He is not sure what the solution is,

but he's not confident that enough concern is being paid to the relative differences between districts. He feels it's another instance where the large urban districts will have a distinct advantage over the smaller, more rural districts, and it seems like that gap keeps widening with every one of these things they implement. Tim Mearig responded that the Department is absolutely sensitive to that, and that is the purpose of this discussion. How can the Department help districts of all sizes achieve this important need of understanding how their buildings are performing, with respect primarily to energy use, so they will understand that having a building that is performing poorly is not the right thing to do? In order for the Department to feel like it should be contributing to capital work within that building, that factor should be addressed. Tim referred back to the briefing paper and noted that Option 2 is informed by the requirement in statute for every school district to have a capital renewal plan for all of their buildings larger than a thousand square feet. He stated that the Renewal and Replacement Spreadsheet Tool was created and was met with unqualified success in allowing districts to take information they already had, use industry metrics that were defined, and get enough information to be able to develop a six-year plan for a building over a thousand square feet. This is what they are spring boarding from for this issue; using already existing information to bridge into an assessment of a building's performance and need for retro commissioning.

Randy Williams discussed the EPA's Portfolio Manager and noted that it covers every ZIP Code in the United States. It is nationwide and is quite in-depth. It is also broken up by type of school, and they have adjustments for population of the school relative to its size. It's quite granular, but it's also very simple to use. The entry from the district point of view is very straightforward and uses the information they are already gathering for energy records. Districts could use it to track energy use and to report that energy use with the same tool. It is a free resource through the EPA's website. Tim also noted that another point is that districts will automatically then begin adding their building's performance data into a national database.

Don Hiley felt that this is yet another disconnect between the theoretical and the practical/reality version of life. He commented on the unqualified success of the Renewal and Replacement Tool. This year they worked with approximately 36 separate school districts on a variety of things, and he doesn't believe that even one of those 36 districts manages their capital program using that tool. They all have to do it because they have to submit it, but it's not being used as a useful tool for districts in managing what's upcoming on their capital projects. Don stated that it's a fine thing, but the reality of it is when a building is falling apart and they're trying to get projects funded, they don't need to look at a theoretical tool like that that's very generalized of how long this system should last or that system should last and how much it should cost. It all kind of goes out the window when they're talking about a small school out in a very rural area where the cost of having an engineer go out to look at something is very expensive, and the cost of getting a contractor out to look at something is very expensive. He stated that he doesn't have any qualms about the intention of it and he likes the idea in theory, but in practical use, will it really help people? He knows there is a requirement for this, but they need to be careful about saying how wonderful this is going to be for people, because unfortunately it's just going to add more work to somebody that's already been piled high with other work that they can't get done in the hours in the day that they already have. This is one more thing that basically is going to be viewed as just meeting a state requirement and not really being that useful to them.

Tim Mearig stated that in Option 2, one notion that is implicit is that there is some possibility of norming between all regions, climactic regions, geographic regions, et cetera, when it comes to measuring the performance of a school and its energy use by assessing an element called heating degree days, which would allow them to be able to compare something in Ketchikan with something in Utqiagvik. He doesn't know if that is realistic, but it would simplify things if the Department, through a vetted process, could set some broad-based parameters. He asked the committee to comment on if it would be helpful to have every building benchmarking itself or if it's helpful to have districts be able to benchmark building by building or if there should be a benchmark for a building type for the whole state. Kevin Lyon commented that they have all worked through building benchmarks, and the biggest thing at the Kenai Peninsula Borough School District is having the money to be able to implement the plan that needs to be done. They have identified what they need to do, but they struggle to get there to do it. He gave a recent example of a school that was recently consuming more energy because the insulation was getting saturated. Unfortunately, energy issues are not just adjusting a piece of equipment; it's replacing a roof with the insulation that is saturated in it.

Tim Mearig stated that in the past 20 years, buildings have been designed and built substantially for Alaska; whereas, previously there were some challenging building systems and conditions and some definitely old buildings. If they were to use a one-size-fits-all approach, they would be missing an opportunity to understand that some buildings are never going to get to the benchmark whether they are recommissioned or not. Kevin Lyons agreed that modern buildings can be fine-tuned, but other buildings will probably never get there. Tim then noted that there is a suggestion in the briefing paper that they would only be holding school districts to do the analysis on schools that were greater than 5,000 square feet. He asked if there should be some language included that gives districts a pass if their buildings were built before a certain date. Kevin Lyon stated that they need to make changes in some of the older buildings to be able to save energy costs, and he believes the goal of the Department and of districts is to not just throw money at some of those things, but some of those are major components that would need to be replaced or complete systems upgraded. Some consideration of old buildings would be a reasonable factor.

Randy Williams thought those comments were very valid, but he thinks the difference is that some of those older schools aren't really going to benefit from retro commissioning, but maybe they just don't apply to this tool or even the purpose of this whole regulation. He stated that major problems that are more capital intensive don't normally fall under the retro commissioning umbrella and should be pulled out of the analysis. Tim asked Randy to suggest a year where building controls and building systems were at a point that they reach that level of complexity. Randy stated that it depends on where the building is located. Anchorage has a more continuous variation of complexity than a lot of other places do. Some places may just have one school that was built at a certain date, and that's it. Anchorage has got a spectrum of schools, ages, and qualities. What he would call the modern controls age is probably 20 years, plus or minus. He can say that for Anchorage, but he doesn't know that those same controls and technologies were demonstrated at the same time throughout the state. Tim disagreed and stated that post Hootch v. Alaska State-Operated School System, there was sense of education equity and building performance equity, and one of the first significant projects happened in Buckland followed by Chevak. There has since been a lot of discussion about whether or not too complex of systems were put into those early rural schools, or if even today they are continuing to do that. From his

perspective, he would say that 20 years ago is the point in time where they started putting very complex systems into buildings all across the state.

Randy Williams continued on to note that there is a particular brand or era of controls they are finding they are removing because they aren't supported anymore. He believes that would be the tipping point. If it was one of these older control systems that isn't supported anymore, then that is no longer a retro commissioning effort. That is then getting into the capital improvement side of things where the building might need a new roof and a new control system in order to make it meet the benchmark that gets established. He also stated that all of these issues can be identified by taking a look at energy use. Whether or not they have a benchmark and whether or not it's statewide, just having it collected for review will tell someone a lot about what's going on.

Randy Williams weighed in on the statewide benchmarking versus local. He would be opposed to a statewide one-size-fits-all solution. One could be made, but he believes it would be open to challenge.

Larry Morris commented that he has never been a big supporter of using EUI. It should be more of how much are they spending on heating per square foot and how much for electrical, lighting, and general circuitry. The idea of tracking these, which has been in statute for a while, whether it's recommissioning or doing a capital project, these measurements are part of what they are supposed to be using to make these determinations. He also agreed with Randy that using a statewide benchmarking wouldn't work because the operations of buildings are too varied.

Tim Mearig asked committee members to consider the proposed motion in their packets. He would like the committee's support in moving this regulation forward. He noted that they have time for further development through district surveys and the public comment process to follow on to some of the discussion they have had today on the topic.

Randy Williams stated that he feels like the Department and the committee have achieved a good way to implement the regulation and minimize the impact on the districts that can't support it and still allow for a more robust management system. Randy **MOVED** that the BR&GR Committee approve the options as presented and recommend that the Department open a period of public comment, **SECONDED** by Dale Smythe. Hearing no objection, the motion **PASSED**.

PUBLICATION UPDATES

Guide for School Facility Condition Surveys

Tim Mearig stated that they have reached the point that the Department is looking for the committee's approval to issue this updated publication. He referred committee members to the packet to review the public comments that were received and how the Department responded to those comments. The publication also underwent a few Department edits as they continue to try to align the structure of how they segregate buildings into components and systems.

Randy Williams stated that there was a comment from the public recommending example timelines 1, 5, and 10 year, and the response was that no changes were planned. He wondered if they could talk to what the issue was for, why the suggestion was not implemented. Tim Mearig stated that the Department didn't feel like they had the ability to flesh out additional elements

about how to tell between routine maintenance and major maintenance based on how they interpreted the comment. They didn't really see a good way to implement a 1, 5, or 10 metric for things they were trying to guess at what the condition might be.

William Glumac **MOVED** that the Bond Reimbursement and Grant Review Committee approve the proposal for the *Guide for Condition Surveys of School Facilities* publication, **SECONDED** by David Kingsland. Hearing no opposition, the motion **PASSED**.

Tim Mearig thanked the committee and stated that they will get it published and distributed. Lori Weed added that there will be a companion Word template document that will be published along with it.

Cost Format Publication

Tim Mearig referred committee members to page 115 of their packet and stated that the *Cost Format* is more of a tool that the Department uses to manage grants. The purpose for bringing it before the committee today is for approval to open up a standard 30-day public comment period on it. Tim provided some additional background on the tool's origins and stated that what is before the committee now is a reversion to the format used by the Department from 2001 to 2008 with some enhancements to integrate it with the Department's other publications to help them with consistency.

Dale Smythe agreed with where the *Cost Format* is at. He would love to see a scorecard annually that would compare actual bid results to the cost model. He thinks it would be interesting to see, but it would take some effort.

Chair Teshner stated that not hearing any opposition to this, the Department will take their next step and put it out for public comment.

Alaska School Facilities Preventative Maintenance Handbook

Chair Teshner directed committee members to the supplemental packet for the meeting. Tim Mearig stated that this publication was the oldest publication the Department had in its update cycle. The original document was prepared in 1997 with an update in 1999, and it has remained that edition ever since. The original document was still providing accurate information about the Department's preventative and facility maintenance requirements, and its primary focus is on maintenance management. Tim provided background and overview on the timeline the committee has gone through regarding the update of this publication and the ways in which the publication contents evolved based on public input. The briefing for the committee today shows the best information the Department has put together to date on this update, where they stand on it, and where the gaps are. He apologized to the committee that publication has not advanced sooner, because it does feed in a lot of information to both the standards and the CIP process that are part of the committee's charge. This publication dovetails into those areas and is very much a committee resource where they would have a heavy role in understanding what they are communicating as a joint committee and department regarding maintenance in districts.

Chair Teshner directed committee members to page 2 of the cover memo and asked for the following actions:

- Review and validate the purpose statement of this publication (p.6)
- Review and validate the developing, implementing, and sustaining structure
- Review and validate additional considerations and appendices planned.

Tim Mearig reviewed the above-mentioned topics with committee members by referencing the supplemental packet. Committee members provided feedback as follows:

Don Hiley referenced page 11, where at the bottom of the page it talks about the five normal reports that are submitted. He thinks it's time that somebody take another look at those five reports, because he knows his system can't generate any of those reports natively. Maybe it's time to rethink something that provides a more useful report that is actually natively generated within the software that everybody in the state is using as opposed to having to export data out to an Excel spreadsheet. He noted that SERRC is using software called Maintenance Connection, and they have 25 districts that work with them in the state. He believes that Valdez is now using that same system on their own. There are probably 50 districts using either Maintenance Connection or SchoolDude.

WORK PLAN REVIEW

Chair Teshner directed committee members to page 152 of the packet to review the work plan. Staff and committee members discussed the work plan and made adjustments for addressing various topics during their September 8 and December 2, 2020 meetings.

Tim Mearig noted that the Commissioning Subcommittee has completed the assignments they were tasked with. The committee as a whole will need to decide whether or not to sunset that subcommittee and reassign its members to other subcommittees.

COMMITTEE MEMBER COMMENTS

Committee members each took an opportunity to thank the other members of the group and staff for their continued participation and hard work during these difficult times. Chair Teshner added that Larry Morris is no longer with DEED, but he is always welcome at any future BR&GR Committee meeting.

MEETING ADJOURNED

Dale Smythe **MOVED** to adjourn, **SECONDED** by William Glumac. Hearing no objection, the motion **PASSED**, and the meeting adjourned at 3:49 p.m.