

BOND REIMBURSEMENT & GRANT REVIEW COMMITTEE

December 6, 2017

Teleconference

WORK SESSION MINUTES

Committee Members Present

Heidi Teshner, Chair
Sen. Anna MacKinnon
Rep. Sam Kito III
Dale Smythe
Robert “Bob” Tucker
Doug Crevensten

Staff

Tim Mearig
Wayne Marquis
Larry Morris
Lori Weed

Additional Participants

None

CALL TO ORDER and ROLL CALL at 2:06 p.m.

Heidi Teshner, chair, called the meeting to order at 2:06 p.m. Roll call of members present; Mark Langberg, William Murdock, Don Hiley are excused, Robert Tucker is absent. Quorum of 5 members.

PACKET REVIEW

Tim offered to provide an overview of the packet and the purpose of the meeting. His understanding is that the committee will review the packet content, particularly those elements that may suggest action items or determination of outcomes by the committee, in order to review while Sen. MacKinnon is available, as she will be absent at the December 12 meeting. Tim proposed that the standard department briefing information did not need to be addressed at this meeting, focusing on the construction standards work.

STANDARDS FOR COST-EFFECTIVE CONSTRUCTION: REPORT TO THE LEGISLATURE

As a suggested starting place, Tim pointed out the document put together by Facilities staff, listing items and prompts for committee review. A draft table of contents, outlined executive summary language, and compiled general public comments are places for the committee to weigh in on big picture themes. Tim noted that the word “recommendation” is used throughout the report due to the process of the subcommittees bringing their recommendations to the committee at the meeting on the 12th. For purposes of the report, the action of the committee will be to adopt the subcommittee recommendations as the criteria the committee proposes for cost-effective school construction.

Robert Tucker joined the teleconference. Quorum of 6 members.

Sen. MacKinnon expressed, in response to the first prompt, her belief that the report should be addressed to the legislature, as the legislature had requested the information. Tim asked for further questions on item 1 or other questions on how to move from subcommittee recommendations to the completed report to adopted criteria. Tim recalled the early 2017 meeting where the committee met to set out the year’s agenda work topics, one of which was to start a process to develop and publish cost-effective school construction criteria. Instead of taking place over a couple of years,

that original timeline was compressed at Sen. MacKinnon's suggestion to have the proposed criteria to be used by the legislature and department in this upcoming year.

Heidi solicited comments on the draft report. Sen. MacKinnon asked for clarification on the commissioning recommendation #2 "industry certification". Tim noted that the two BR&GR members on that subcommittee were absent, but his understanding is that there is industry credentialing for commissioning agents that could be cited. The subcommittee has been doing additional work on this topic. Rep. Kito remarked that commissioning is, in a way, a formalization of the department's post-occupancy review process, ensuring expectation that systems were installed as designed and the knowledge to operate and maintain was provided. He recommended that the final documents provide a way to retain the knowledge gained through the commissioning process within the district, which is often lost through personnel turnover.

Sen. MacKinnon asked for additional information on the design ratio implementation strategy that envisions coordinating with the model Alaska school criteria. Tim responded that the recommendations from the model school committee include development of three tools, including building standards. Public comment on the two draft sections of facility standards was that the standards need updating. Department staff will work on updates and development of seven to eight more sections describing building systems and components that are acceptable or Alaskan schools.

Tim recommended moving on to the draft table of contents. The table of contents is the department's recommendation on how to organize the information of the report. Heidi wondered about the absence of 'attachments' after the design ratio subcommittee recommendations. Lori confirmed the subcommittee did not have any that would directly follow the recommendation. To keep the recommendation section from getting too lengthy, only attachments that directly related or were referenced were attached behind each paper. Dale noted that there will be an additional design ratio subcommittee resource for the energy modeling example.

Tim observed that the next section is "in development" and contains outline headings with some paragraphs of developed content.

Sen. MacKinnon asked whether it was an appropriate time to address questions to the backup documents; Tim confirmed. In the commissioning recommendations, Sen. MacKinnon asked for clarification on why "fuel oil" was included as one of the system categories. Tim stated that there are a number of districts that operate large fuel oil storage functions, the subcommittee felt it was an important system that had merit to verify fuel system and operations through commissioning. Wayne confirmed Bill Murdock's conversation about flaws in the system or design that can be very costly to repair afterward. Rep. Kito noted that many district bulk fuel farms are shared with other entities, an important commissioning component would be to ensure protections are in place - reviewing valves, connections, and metering, etc. can be important to try to manage costs.

Sen. MacKinnon followed up with Tim to confirm that the state regarded bulk fuel storage as an allowable expense. Tim stated that typically a project may allow a two-year operating supply; it is very common in rural Alaska. Rep. Kito offered that bulk fuel includes heating as well as fuel

for district vehicles and equipment; in smaller communities there may not publically available fuel sales in larger quantities.

Sen. MacKinnon asked whether the commissioning agent qualification is available in-state or if would require development in state regulation. Tim responded that industry certifications are available to Alaskans, but he is uncertain how much can be done web-based, there may be travel necessary if specific training is not available. Commissioning does come with a “who’s going to pay for it” question. Sen. MacKinnon observed one of the public comments expressed concern about commissioning in rural Alaska. Tim pointed out that the commissioning recommendation applies to major projects, it wouldn’t be required on smaller projects. When there is a large, substantial project, it is likely to have credentialed people involved in the project. Rep. Kito noted two primary ways for commissioning: incorporate requirement into design contract or having a third-party commissioner that would probably also fall under a design line item. Sen. MacKinnon brought up the Alaska Energy Authority, wondering if they would be available to go out and monitor some of these items for us. She is aware of personnel available to help with maintenance and construction when communities lose power. She would like to utilize resources that may be available to assist the department in carrying out these subcommittee strategies. Tim noted lack of response from state agencies during public comment, but hopes to continue to reach out. Commissioning will require project-specific knowledge, so commissioning personnel are likely to be involved early in the design process to develop a commissioning protocol.

Bob shared that his district has done commissioning in its rural schools, it is not a huge expense, especially if it is a specific portion of the building (e.g. controls). He observed that the recommendation is for new projects, but committee should consider including renovations or, at a minimum, renovations that touches controls. Bob agrees with Senator’s statement that not every component needs to be unique; procurement is a stumbling block.

Sen. MacKinnon asked Tim about the Model School subcommittee recommendation for the legislature to expand the list of facility types for which state-aid would be limited. Rep. Kito recalled the conversations, specifically for facilities outside the building that are potentially of more benefit to the community than the educational program. Tim noted the statute that currently limits certain types of facilities and stated that the recommendation asks the legislature to take a look at expanding the list. Sen. MacKinnon countered that other public uses should be considered “core” to a school, like emergency management, dependent on location. Tim recalled instances under AS 14.11, where the department limited funding for emergency generators in urban schools. Bob offered that every community should have an emergency management plan, if the school is identified by that plan, as number one, that could be a criteria to allow that kind of “additional” funding. Rep. Kito recalled it is pretty straightforward to make a determination on those costs; typically the educational specification included expectation of ability to serve as an emergency shelter. Doug reminded members that the recommendation came from a desire for cost savings and cost-effective schools, and to provide parity in facilities between communities.

Sen. MacKinnon reiterated that the state may pay to lease or maintain multiple facilities in a community, but co-locating could benefit the community. Doug noted that multiple funding sources could then be available for construction. Sen. MacKinnon confirmed and noted it could assist in long-term operating costs too. Rep. Kito stated that most community clinics have been

built by the Denali commission in recent years; it would be hard to convince communities to move from a relatively new facility to a co-location. This will need to be a long-term outlook. Doug offered that health care is growing and a satellite clinic could be incorporated into a school as needs increase. Discussion on co-location benefits and draw-backs.

Sen. MacKinnon asked if Massachusetts was a good comparison to decide that prototypical schools would not serve Alaska. The report states Massachusetts districts wanted freedom to choose designs for educational programs, but did not state how cost-effective was it. Tim stated that prototypical designs have been used successfully within Alaskan districts during population growth conditions. Sen. MacKinnon reflected that the large amount of major maintenance projects should be used to install standard components. Tim noted the Model School subcommittee efforts with the draft construction standards to help identify systems and components that work in Alaska and that the state could pay for. Districts are interested in standardization. Bob confirmed that standardizing within his district has saved money and maintenance hours, he is uncertain that it would be useful outside of a single district. Doug inquired whether getting the big five school districts together to discuss standardization would be helpful. Bob commented that breaking into regions is important, for example, Kodiak does not get Anchorage's extreme temperatures and Anchorage does not get Kodiak's high winds. Bob believes that mandating districts to standardize would save the district and the state, primarily through maintenance costs (long-term knowledge retention, training, on-hand parts).

Sen. MacKinnon observed that a general worry in the public comments is that the recommendation may cost districts money; hopes the committee will provide a long lead-time in its actions. Bob remarked that his district standardization did not happen all at once.

Doug queried the legislative members on how to useful the subcommittee recommendations will be to the legislative discussion; and how will the committee know. Rep. Kito said that without data points there will be no way to know the cost-savings for Alaska. Bob asked if there was a particular area in the report that would be helpful to develop more. Sen. MacKinnon offered that energy monitor that occurs before and after a renovation should show a cost savings. Hopefully a commissioning inspector will be able to provide feedback on their findings so communities can benefit from earlier solutions. Bob cautioned that there is not always the capability in a community to utilize some high-level technologies.

FUTURE MEETING DATE

Next committee meeting December 12, 2017. Wrap-up meeting on December 19, 2017 to finalize the report from changes discussed on December 12.

MEETING ADJOURNED

The committee adjourned at 3:35 p.m.