



Regents approve \$105 million energy modernization project

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Northwest has set into motion the Energy Infrastructure Modernization Project after the Board of Regents approved the \$105 million proposal to upgrade the John C. Redden Power Plant and energy distribution systems on campus at the Sept. 7 meeting.

The power plant on campus utilizes three natural gas boilers to provide steam heat to campus buildings, which are connected by a two-mile network of tunnels. Over the years, students, faculty and staff have received many emails alerting them about work on steam tunnel leaks that would leave buildings with no hot water during repair, potentially for many days depending on the repair.

Vice President of Finance and Administration Stacy Carrick said she believes this is the largest capital request project in Northwest's history.

"Dan (Haslag) and I some nights don't get a lot of sleep because we're worried about that plant going down," Carrick said during the proposal. "If it were to go down, it would impact operations across campus or critical utilities."

comfortable with the added \$20 million in debt. She said debt is not a bad thing as long as they can make the annual payment, and there was an analysis done that included project savings.

"Based on those savings and the fact that if we don't do something, I think our revenue streams are going to be jeopardized," Carrick said in the meeting. "So yes, I'm comfortable with the 20 million, I don't want to go beyond 20 million and I don't really want to go beyond 20 years."

Critical utilities also were assessed as a part of this project to find conditions on infrastructure systems like HVAC, electrical distribution, domestic water, sanitary sewer and stormwater. Thirty-three of those systems were ranked with a high priority for replacements.

Energy efficiency is part of the upgrades this project plans to tackle. Converting to LED lighting, low-flow bathrooms and other high efficiency systems through campus cooling and heating will maximize energy efficiencies.

Of the \$105 million, \$41 million will go to the central plant modernization, \$61.2 million will go to critical utility and stormwater management and \$2.8 million will go to study costs and other energy upgrades.



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STACY CARRICK

VICE PRESIDENT OF FINANCE AND ADMINISTRATION

These boilers are anywhere from 27-33 years past the expected useful life, and the two alternative fuel boilers are beyond repair. As for cooling, there are three chillers, two of which are past useful life. With the equipment being so far past its lifespan, the result is more breakdowns and failures, which leads to more disruption among campus.

The funding for the \$105 million project will come from a variety of sources. Carrick said \$5 million was given by the state, and then another \$25 million was appropriated in Fiscal Year 2024, but it is looking for another \$25 million from the state during Fiscal Year 2025. Of the two \$25 million appropriations, Northwest has to provide a 50/50 match, coming up with \$50 million itself.

The first \$30 million will come from different areas — the Campus Master Plan Fee, capital funds, lost revenues from the COVID-19 pandemic — but the University plans to borrow \$20 million to cover the rest of the costs.

Regent John Moore asked Carrick if she was

Though specifics aren't hammered out yet, Carrick said her goal is to get this project done over the next three years, to complete in December 2026. During that time, there is potential that buildings can be offline, but she said ideally they would work in small sections or wings of buildings to make sure that an entire building does not go offline at once.

With the upgrade of the plant and changing of systems, Carrick said the goal is to not lose existing workers, but rather not rehire for positions when employees leave. She said many people have retired at the end of last year, and there is a hold on hiring for those spots. Carrick also said employees may redistribute to different areas.

The Board unanimously approved the \$105 million project, which will now start undergoing design development for upgrades with IMEG Corp. Carrick said there will be multiple projects within the Energy Infrastructure Modernization Project, so many of them will have separate bidding processes and completion times.

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