

Authorization of New Capital Improvements Projects – East Carolina University and The University of North Carolina at Chapel Hill

East Carolina University and The University of North Carolina at Chapel Hill have requested authority to establish new capital improvements projects.

ECU -- Umstead Residence Hall and White Residence Hall Fire Sprinkler Installation: This project will provide a new fire sprinkler system for Umstead Residence Hall (three-story, built in 1955, 288 beds, 48,812 square feet) and White Residence Hall (ten-story, built in 1968, 390 beds, 82,731 square feet). Work will include a new fire service water main to Umstead. Existing plaster and lay-in ceiling systems will be repaired or replaced. The project, estimated to cost \$1,300,000 and funded from housing receipts, will be completed by the start of the 2012 fall semester.

UNC-CH – Cogeneration Facility Warehouse Site Environmental Investigation and Remediation, Advance Planning: During the initial stages of construction of a warehouse to provide storage for the operations of the Cogeneration Facility, UNC-CH's contractor noticed unusual dark streaks and layers in the soil. The soil was tested, and the tests confirmed the presence of coal combustion byproducts. UNC-CH stopped construction and notified the NC Department of Environment and Natural Resources (DENR) on July 27, 2010 as required by law.

In response, DENR recommended that UNC-CH join the Registered Environmental Consultant Program ("Program") to assess and remediate any remaining coal combustion byproducts at the site. That Program involves the hiring of an environmental engineering firm that will study the site, prepare a remediation plan, and oversee the remediation. By using an environmental engineer that DENR has pre-approved, DENR will rely upon the judgment of the environmental engineer to satisfy the requirements of the Program and to assure that UNC-CH has appropriately remediated the site. Once a party agrees to participate in the Program, the party is obligated to complete the remediation in accordance with DENR regulations, which include a schedule for the completion of remediation activities.

Based on a review of historical records, it is believed that the byproducts found in the soil at the Cogeneration Facility are attributable to the original coal-fired plant, which was constructed in 1941. At that time, coal combustion byproducts were accumulated on site as part of standard power station operations. In the late 1970s or early 1980s, this process became a permitted operation and was overseen by DENR. Since 1991, coal combustion byproducts from the Cogeneration Facility, which

replaced the original coal-fired plant, have been removed from the site and recycled in accordance with applicable regulatory standards.

Although the coal combustion byproducts under the warehouse building have been removed, additional impacted soil areas have been identified at the site. The extent of these impacted soils must be addressed, and possibly remediated, to comply with State law. This request will authorize UNC-CH to hire the environmental engineer to conduct the site investigation, develop the remediation in accordance with DENR program requirements, and oversee any required remediation. Based on the costs of similar work performed on campus, and the previous work conducted at the storage building footprint, this work is estimated to cost up to \$750,000, will be funded by utility receipts, and is expected to be completed by the end of 2012.

It is recommended that these projects be authorized and that the methods of financing as proposed by ECU and UNC-CH be approved.