DATE: Tuesday, February 10, 2009
TIME: 8:30 a.m.
PLACE: University of Houston
3100 Cullen Boulevard
Athletics/Alumni Building
Melcher Board Room 100B
Houston, Texas 77204

Chair: Calvin W. Stephens
Vice Chair: Jacob M. Monty
Members: Dennis D. Golden
Mica Mosbacher
Welcome W. Wilson, Sr., Ex Officio

FINANCE AND ADMINISTRATION COMMITTEE

A. Call to Order

B. Contract to Provide Food Service for the University of
   Houston System – UH System
   Action: Approval

C. Contract to Provide Bookstore Services for the University
   of Houston System – UH System
   Action: Approval

D. Approval of the Undergraduate Housing Budget –
   University of Houston
   Action: Approval

**Action:** Approval

F. Accounts and Notes Receivable Write-offs – UH System  F&A - 5

**Action:** Approval

G. Banking Resolution – UH Downtown – UH System  F&A - 6

**Action:** Approval

H. Contract to Provide Natural Gas Service for the University of Houston – University of Houston  F&A -7

**Action:** Approval

I. Insurance Renewals for Fiscal Year 2009 – UH System  F&A - 8

**Action** Approval

J. Consolidated Revenue Commercial Paper Notes – UH System  F&A - 9

**Action:** Approval


**Action:** Information

L. Contract to Provide Electrical Service for the University of Houston System – UH System  F&A -11

**Action:** Information

M. Adjourn
COMMITTEE: Finance and Administration

ITEM: Contract to Provide Food Service for the University of Houston System

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:
Approval is requested for a Delegation of Authority to the Chancellor to negotiate and execute the master food service contract with ARAMARK upon agreement of the General Terms and Conditions. The existing master food service contract with ARAMARK expires in August 2010. The UH System is re-negotiating its agreement with ARAMARK, the current food service provider, in order to provide funding for the renovation of Moody Towers dining hall. This renovation is necessary to accommodate the increased residential population in the proposed freshman housing village.

FISCAL NOTE:

SUPPORTING DOCUMENTATION:

ACTION REQUESTED: Approval

COMPONENT: University of Houston System

PRESIDENT

DATE 1/30/09

EXECUTIVE VICE CHANCELLOR

DATE 1/29/09

CHANCELLOR

DATE
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance and Administration

ITEM: Contract to Provide Bookstore Services for the University of Houston System

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:
Approval is requested for a Delegation of Authority to the Chancellor to negotiate and execute the master bookstore contract with Barnes and Noble College Booksellers, Inc. upon agreement of the General Terms and Conditions. The existing master bookstore contract with Barnes and Noble College Booksellers, Inc. expires in December 2010. The UH System is re-negotiating its agreement with Barnes and Noble College Booksellers, Inc., the current bookstore service provider, in order to provide funding for the construction of the new Calhoun Loft store, the UH Sugarland Store and the minor renovation of the UH Main and UH Clear Lake stores. The additional stores and the minor renovation of the existing UH Main and UH Clear lake stores is necessary to accommodate the increased student population and to enhance student access throughout the UH System.

FISCAL NOTE:

SUPPORTING DOCUMENTATION: Barnes and Noble Contract Renewal

ACTION REQUESTED: Approval

COMPONENT: University of Houston System

PRESIDENT

EXECUTIVE VICE CHANCELLOR

CHANCELLOR

DATE 1/30/09

DATE 1/29/09

F&A – 2.1
Barnes & Noble Contract Renewal

Finance and Administration Committee
February 10, 2009
Contract Term Changes

Current

- Guaranteed Payment/Percentage Payment- $2,700,000 or 13.1% of all gross sales from $0 to $13,000,000, 12.1% of all gross sales from $13,000,000 to $16,000,000, 11.1% of all gross sales over $16,000,000
- Annual Textbook Scholarships in the amount of $20,000
- Contract expires December 2010

Proposed

- Guaranteed Payment/Percentage Payment- $2,700,000 or 12% of all gross sales from $0 to $13,000,000, 13% of all gross sales from $13,000,000 to $16,000,000, 14% of all gross sales over $16,000,000
- Annual Textbook Scholarships in the amount of $20,000
- Capital Commitment of $750,000 to design, construct, renovate and equip the new Calhoun Loft and Sugarland store and perform some minor renovations of the UH Main and Clearlake stores.
- Extend contract by 5 years, new end date December 2015
• The contract extension will directly support the university’s mission of ensuring student success and academic excellence by strengthening the partnership with Barnes and Noble as they continue to provide a critical service to the UH System.

• The new Calhoun Lofts and Sugarland stores will accommodate the increased student population and enhance student access throughout the UH System.
COMMITTEE: Finance and Administration

ITEM: Approval of the Undergraduate Housing Budget

DATE PREVIOUSLY SUBMITTED:

SUMMARY: Approval is requested for the budget and construction of Undergraduate Housing (Wheeler Precinct) facility. The proposed facility comprises approximately 1000 beds and 175,500 ASF/270,000 GSF. Proposed project budget is $59,750,000.

Details of the project are provided in the attached supporting documentation.

FISCAL NOTE: Bond Funding

SUPPORTING DOCUMENTATION:

ACTION REQUESTED: Approval

COMPONENT: University of Houston

PRESIDENT

EXECUTIVE VICE CHANCELLOR

CHANCELLOR

DATE

DATE

DATE
University of Houston
Undergraduate Housing Budget and Construction Schedule

**PROPOSED BUDGET**

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Cost</td>
<td>$46,461,000</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$2,868,000</td>
</tr>
<tr>
<td>Materials and System Testing</td>
<td>$925,000</td>
</tr>
<tr>
<td>Project Management</td>
<td>$1,792,000</td>
</tr>
<tr>
<td>Furniture and Moveable Equipment</td>
<td>$2,300,000</td>
</tr>
<tr>
<td>Art</td>
<td>$465,000</td>
</tr>
<tr>
<td>Project and Contractor Contingencies</td>
<td>$4,939,000</td>
</tr>
</tbody>
</table>

**TOTAL PROJECT COST**  
$59,750,000

**PROPOSED SCHEDULE**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 2009</td>
<td>BOR Review and Approval</td>
</tr>
<tr>
<td>March 2009</td>
<td>THECB Approval</td>
</tr>
<tr>
<td>April 2009</td>
<td>Site/ Utilities Construction Begins</td>
</tr>
<tr>
<td>July 2009</td>
<td>Building Construction Begins</td>
</tr>
<tr>
<td>August 2010</td>
<td>Building Construction Completed</td>
</tr>
</tbody>
</table>

February 10, 2009
University of Houston
Undergraduate Housing Budget and Construction Schedule

DOCUMENTATION PAGE

The project encompasses the design and construction of Phase 1 of an undergraduate residence facility consisting of 1000 beds in two-bedroom, shared-bath units with related amenities, support staff, and resident staff/resident assistant apartments.

Four shortlisted design-build teams, selected by an RFQ process for relevant experience and capabilities, returned conceptual designs and proposals January 20, 2009. Those proposals are being evaluated and one team will be chosen in February 2009.

Project cost is approximately $220/SF or $60,000 per Bed.
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance and Administration
ITEM: FY 2008 Reductions in Net Capital Assets

SUMMARY: Approval is requested to write off obsolete equipment and library book inventories with a total residual value of $301,666 for FY2008 for the Universities of Houston, Clear Lake, Downtown, Victoria and System Administration. The residual value of $301,666 pertains to $33.6 million in original book value less $33.3 million in accumulated depreciation. For FY 2007, the comparable reduction of inventory had residual value of $429,592 with a book value of $8.2 million and accumulated depreciation of $7.7 million.

In the disposal of obsolete inventory, the University follows state guidelines for the disposal of fixed assets, which includes sales by public auction, trade-in for purchases, transfers to assistance organizations such as school districts, and, for the library, the removal of books and periodicals from circulation.

<table>
<thead>
<tr>
<th></th>
<th>FY 2008</th>
<th>FY 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Houston</td>
<td>$217,394</td>
<td>$423,409</td>
</tr>
<tr>
<td>UH System Administration</td>
<td>190</td>
<td>0</td>
</tr>
<tr>
<td>UH - Clear Lake</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>UH - Downtown</td>
<td>84,082</td>
<td>6,183</td>
</tr>
<tr>
<td>UH - Victoria</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$301,666</strong></td>
<td><strong>$429,592</strong></td>
</tr>
</tbody>
</table>

Detailed schedules are on file in the UH Division of Finance Offices.

ACTION REQUESTED: Approval

COMPONENT: University of Houston System

PRESIDENT

EXECUTIVE VICE CHANCELLOR
Carl Carlucci

CHANCELLOR
Renu Khator

DATE
1/30/09
1/29/04

F&A – 4.1
### Summary by Type of Reduction

<table>
<thead>
<tr>
<th>Type of Reduction</th>
<th>ORIGINAL COST</th>
<th>DEPRECIATION</th>
<th>RESIDUAL VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sold</strong></td>
<td>$ 217,512</td>
<td>$ 211,703</td>
<td>$ 5,809</td>
</tr>
<tr>
<td><strong>Salvaged</strong></td>
<td>1,190,545</td>
<td>1,106,462</td>
<td>84,083</td>
</tr>
<tr>
<td><strong>Obsolete</strong></td>
<td>27,449,271</td>
<td>27,282,432</td>
<td>166,839</td>
</tr>
<tr>
<td><strong>Traded - In</strong></td>
<td>132,108</td>
<td>114,984</td>
<td>17,124</td>
</tr>
<tr>
<td><strong>Lost/Stolen</strong></td>
<td>61,653</td>
<td>57,817</td>
<td>3,836</td>
</tr>
<tr>
<td><strong>Transferred to Assistance Organizations</strong></td>
<td>92,958</td>
<td>92,768</td>
<td>190</td>
</tr>
<tr>
<td><strong>Transferred to Other Government Units</strong></td>
<td>55,495</td>
<td>31,709</td>
<td>23,786</td>
</tr>
<tr>
<td><strong>Total Reductions in Equipment</strong></td>
<td>$ 29,199,541</td>
<td>$ 28,897,875</td>
<td>$ 301,666</td>
</tr>
<tr>
<td>Library Books</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Withdrawn From Circulation</strong></td>
<td>4,361,766</td>
<td>4,361,766</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Reductions in Capital Assets</strong></td>
<td>$ 33,561,307</td>
<td>$ 33,259,641</td>
<td>$ 301,666</td>
</tr>
</tbody>
</table>

### Summary by Campus

<table>
<thead>
<tr>
<th>Campus</th>
<th>ORIGINAL COST</th>
<th>DEPRECIATION</th>
<th>RESIDUAL VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Houston</td>
<td>$ 28,147,508</td>
<td>$ 27,930,114</td>
<td>$ 217,394</td>
</tr>
<tr>
<td>UH System Administration</td>
<td>13,631</td>
<td>13,441</td>
<td>190</td>
</tr>
<tr>
<td>UH-Clear Lake</td>
<td>640,693</td>
<td>640,693</td>
<td>-</td>
</tr>
<tr>
<td>UH-Downtown</td>
<td>4,575,952</td>
<td>4,491,870</td>
<td>84,082</td>
</tr>
<tr>
<td>UH-Victoria</td>
<td>183,523</td>
<td>183,523</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Reductions in Capital Assets</strong></td>
<td>$ 33,561,307</td>
<td>$ 33,259,641</td>
<td>$ 301,666</td>
</tr>
</tbody>
</table>
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance and Administration

ITEM: Accounts and Notes Receivable Write-offs

SUMMARY: Approval is requested to write off Accounts and Notes Receivable totaling $1,069,117 (in 3,220 accounts) for Fiscal Year 2008 for the Universities of Houston, Clear Lake, Downtown, and Victoria. The comparable FY 2007 write off for all universities was $928,080 (in 2,860 accounts), as summarized in the table below. State universities are required by law to offer installment payments for tuition and fees to students without consideration of credit history or ability to repay.

<table>
<thead>
<tr>
<th>University</th>
<th>FY 2008</th>
<th>FY 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of Houston</td>
<td>$ 352,578</td>
<td>$ 268,086</td>
</tr>
<tr>
<td>University of Houston - System</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>UH - Clear Lake</td>
<td>195,172</td>
<td>149,708</td>
</tr>
<tr>
<td>UH - Downtown</td>
<td>453,346</td>
<td>493,562</td>
</tr>
<tr>
<td>UH - Victoria</td>
<td>68,021</td>
<td>16,724</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,069,117</strong></td>
<td><strong>$928,080</strong></td>
</tr>
</tbody>
</table>

SUPPORTING DOCUMENTATION: Schedule of Accounts and Notes Receivable Write-Offs for FY 2008. Detailed schedules are on file in the UH Division of Finance Offices.

ACTION REQUESTED: Approval

COMPONENT: University of Houston System

---

PRESIDENT

EXECUTIVE VICE CHANCELLOR  Carl Carlucci

CHANCELLOR  Renu Khator

DATE  1/36/09

DATE  1/29/09

F&A – 5.1.
<table>
<thead>
<tr>
<th>Proposed Write-Off:</th>
<th>Total Delinquent Accounts From 2006 and Earlier</th>
<th>UHS</th>
<th>UH</th>
<th>UHCL</th>
<th>UHD</th>
<th>UHV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Grants &amp; Contracts</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-Federal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans</td>
<td>310,788</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition &amp; Fees</td>
<td>724,216</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales &amp; Services</td>
<td>34,113</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants &amp; Contracts</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Payroll</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Court Ordered Restitution</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Write Off</td>
<td>$ 1,069,117</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 352,578</td>
<td>$ 195,172</td>
<td>$ 453,346</td>
</tr>
<tr>
<td>Write Offs against Reserve</td>
<td>$ 885,832</td>
<td>$ -</td>
<td>$ 330,825</td>
<td>$ 101,661</td>
<td>$ 453,346</td>
<td>$ -</td>
</tr>
<tr>
<td>Write Offs against Fund Balance</td>
<td>183,285</td>
<td>$ -</td>
<td>$ 21,753</td>
<td>$ 93,511</td>
<td>-</td>
<td>$ 68,021</td>
</tr>
<tr>
<td>Largest Single Write Off</td>
<td>$ 10,292</td>
<td>$ -</td>
<td>$ 10,292</td>
<td>$ 4,474</td>
<td>$ 5,978</td>
<td>$ 4,972</td>
</tr>
<tr>
<td># of Student Accts Written Off</td>
<td>3,220</td>
<td>-</td>
<td>950</td>
<td>1,104</td>
<td>1,088</td>
<td>78</td>
</tr>
</tbody>
</table>

All UH components, accounts and notes receivable, other than federal loan programs, are written off if more than two years past due and collection efforts have been exhausted.

Federal regulations do not permit the write off of federal loans. Each campus has established a reserve for uncollectible federal loans to report receivables at a realistic asset value.
COMMITTEE: Finance and Administration

ITEM: Banking Resolution – UH-Downtown

DATE PREVIOUSLY SUBMITTED:

SUMMARY: Approval is requested to amend the banking resolution for the University of Houston Downtown operating account to expand the list of staff authorized to endorse checks payable to the university. This endorsement authority is primarily used by the university to endorse student loan checks made jointly payable to the university and the student. The university endorses the check payable to the student if the student does not owe the university any money.

The following staff currently have endorsement authority on this account:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Institution</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carl Carlucci</td>
<td>Executive Vice Chancellor for Administration and Finance, UHS</td>
<td>No change</td>
<td></td>
</tr>
<tr>
<td>Tom Ehardt</td>
<td>Associate Vice Chancellor for Finance, UHS</td>
<td>No change</td>
<td></td>
</tr>
<tr>
<td>Raymond Bartlett</td>
<td>Treasurer, UHS</td>
<td>No change</td>
<td></td>
</tr>
<tr>
<td>E.A. Montgomery</td>
<td>Mgr., Treasury Operations, UHS</td>
<td>No change</td>
<td></td>
</tr>
<tr>
<td>Sheryl Walton</td>
<td>Mgr., Cash &amp; Bank Administration, UHS</td>
<td>No change</td>
<td></td>
</tr>
<tr>
<td>David M. Bradley</td>
<td>Vice President for Administration and Finance, UHD</td>
<td>No change</td>
<td></td>
</tr>
</tbody>
</table>

The following staff will be granted endorsement authority on this account:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Institution</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>George W. Anderson</td>
<td>Assistant Vice President, Business Affairs, UHD</td>
<td>Add</td>
<td></td>
</tr>
<tr>
<td>Patricia Jacobson</td>
<td>Director - Student Accounting, Cashiering &amp; Collections, UHD</td>
<td>Add</td>
<td></td>
</tr>
</tbody>
</table>

FISCAL NOTE:

SUPPORTING DOCUMENTATION:

ACTION REQUESTED: Approval

COMPONENT: University of Houston System

PRESIDENT

EXECUTIVE VICE CHANCELLOR Carl P. Carlucci

CHANCELLOR Renu Khator
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance and Administration

ITEM: Contract to Provide Natural Gas Service for the University of Houston

DATE PREVIOUSLY SUBMITTED: N/A

SUMMARY:
The existing natural gas supply contract with CenterPoint Energy for the UH Power Plant, which supplies natural gas to most of the buildings on the UH campus, will expire in March 2009. The University of Houston, through a Request for Proposal (RFP) bidding procedure, will select the provider offering the most economical and reliable source for natural gas energy. Approval is requested for a Delegation of Authority to the Chancellor to negotiate and execute a three (3) year contract with the selected provider upon agreement of the General Terms and Conditions.

In the event that a new contract cannot be negotiated by March 1, 2009, approval is requested to extend the existing contract to April 1, 2009 to allow additional time to negotiate the best possible three year contract for the UH Power Plant. The other UH System metered locations are not large enough to negotiate their own natural gas contract, and we are not allowed to aggregate our natural gas meters to negotiate a single contract for all of UH System.

FISCAL NOTE: UH Power Plant natural gas expenditures were $3,654,000 in FY2008.

SUPPORTING DOCUMENTATION:

ACTION REQUESTED: Approval

COMPONENT: University of Houston

PRESIDENT: Renu Khator  DATE: 1/30/09

EXECUTIVE VICE CHANCELLOR: Carl Carlucci  DATE: 1/29/09

CHANCELLOR: Renu Khator  DATE: 1/29/09
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance and Administration

ITEM: Insurance Renewals for Fiscal Year 2009

DATE PREVIOUSLY SUBMITTED:

SUMMARY: Most of the UH System's insurance policies renew March 1 or April 30, 2009. The current annualized insurance expense is approximately $3.6 million. The impact of Hurricane Ike and the global financial environment is still being determined. However, the premium for property insurance is expected to increase. Approval is requested to Delegate Authority to the Chancellor to negotiate and execute contracts for insurance coverage for the University for Fiscal Year 2009 in an amount not to exceed the total premiums of $5 million.

FISCAL NOTE: Estimated annual premiums not to exceed $5,000,000.

SUPPORTING DOCUMENTATION: Insurance Renewal Status Report

ACTION REQUESTED: Approval

COMPONENT: University of Houston System

PRESIDENT  EXECUTIVE VICE CHANCELLOR  CHANCELLOR

DATE  DATE  DATE

F&A – 8.1.
University of Houston System  
Insurance Renewal Status Report

Current and Projected Insurance Premiums  
The University of Houston System’s insurance program for Fiscal Year 2008 consists of over 20 policies with an aggregate annual cost of $3.6 million. The following is a summary of current and projected premiums by policy type and component. Note the premium for property insurance in FY09 may rise to $3.8 million.

<table>
<thead>
<tr>
<th>Policy Type</th>
<th>Annualized Premium FY07</th>
<th>Annualized Premium FY08</th>
<th>Projected Annual Premium FY09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property</td>
<td>$3,254,407</td>
<td>$2,425,654</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>NCAA Medical Accident</td>
<td>$440,338</td>
<td>$543,500</td>
<td>$450,000</td>
</tr>
<tr>
<td>Directors &amp; Officers / Employment Practices Liability</td>
<td>$273,166</td>
<td>$248,022</td>
<td>$260,000</td>
</tr>
<tr>
<td>Medical Malpractice</td>
<td>$120,030</td>
<td>$113,125</td>
<td>$120,000</td>
</tr>
<tr>
<td>Automobile</td>
<td>$127,810</td>
<td>$128,798</td>
<td>$130,000</td>
</tr>
<tr>
<td>All Others (18 Policies)</td>
<td>$175,867</td>
<td>$173,485</td>
<td>$175,000</td>
</tr>
<tr>
<td>Total</td>
<td>$4,391,618</td>
<td>$3,632,583</td>
<td>$4,135,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Component</th>
<th>Annualized Premium FY07</th>
<th>Annualized Premium FY08</th>
<th>Projected Annual Premium FY09</th>
</tr>
</thead>
<tbody>
<tr>
<td>UH System</td>
<td>$89,281</td>
<td>$86,710</td>
<td>$90,000</td>
</tr>
<tr>
<td>UH</td>
<td>$3,561,197</td>
<td>$3,037,153</td>
<td>$3,490,000</td>
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<td>UH – Downtown</td>
<td>$285,719</td>
<td>$207,427</td>
<td>$220,000</td>
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<td>UH – Clear Lake</td>
<td>$379,084</td>
<td>$249,147</td>
<td>$275,000</td>
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<td>UH Victoria</td>
<td>$76,337</td>
<td>$52,147</td>
<td>$60,000</td>
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<td>Total</td>
<td>$4,391,618</td>
<td>$3,632,583</td>
<td>$4,135,000</td>
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</table>

Renewal Process  
The State Office of Risk Management (SORM) administers the Property, Directors and Officers/Employment Practices, and Automobile insurance programs through statewide insurance programs. Willis of Texas brokers most of the others and is obtaining quotes to compete with each of insurance programs administered by SORM. Quotes for most of the policies will be received in mid February with renewals March 1, 2009 and the property quotes will be received in late March with renewals April 30, 2009.

Marketing Projections  
Most insurance policies are expected to renew with little premium change but the Hurricane Ike loss and global financial environment will probably have a negative impact on the property insurance renewal cost.

February 10, 2009
Renewal Strategy
Competitive quotations are being obtained for all of the larger premium insurance policies, including Property, Directors and Officers/Employment Practices and Property insurance (those administered by the State Office of Risk Management). Since there is a possibility that hurricane insurance may exceed a manageable cost, a not-to-exceed cost for property insurance of $3.8 million is being proposed. Excluding hurricane coverage or reducing the coverage limits below reasonable loss expectations is not an option as neither the State of Texas nor FEMA may provide assistance in the event of a major loss.
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance and Administration

ITEM: Consolidated Revenue Commercial Paper Notes

DATE PREVIOUSLY SUBMITTED:

SUMMARY: Approval is requested to increase the UH System’s consolidated revenue commercial paper program to a maximum principal amount not to exceed $125 million outstanding at any time and provide for the issuance of tax-exempt and/or taxable notes. The note proceeds will provide funds for authorized purposes, including interim financing for the purchase and/or construction of system-wide projects. The Master Resolution for the consolidated revenue bonds was approved by the Board of Regents on April 25, 1990. The Twentieth Supplemental Resolution (i) repeals the Seventeenth Supplemental Resolution that established the original commercial paper program (ii) appoints the Chair of the Finance and Administration Committee, the Executive Vice Chancellor for Administration and Finance, the Associate Vice Chancellor for Finance, and the Treasurer as Authorized System Representatives for the commercial paper program and (iii) authorizes the execution of required documentation for the commercial paper program. Preparation of the definitive Offering Memorandum will be subject to such additional changes as may be approved by an Authorized System Representative, who shall also be authorized to take such other administrative actions as shall be necessary in connection with the establishment and administration of the commercial paper program.

We request Board approval of the Twentieth Supplemental Resolution, the Offering Memorandum and other documentation required to establish the commercial paper program for the System’s Consolidated Revenue Commercial Paper Notes.

FISCAL NOTE: Current authorization is $50 million. Outstanding commercial paper notes: $0 (as of 2/10/09)

SUPPORTING DOCUMENTATION: Commercial paper program documents

ACTION REQUESTED: Approval

COMPONENT: University of Houston System

PRESIDENT

EXECUTIVE VICE CHANCELLOR Carl Carlucci

CHANCELLOR Renu Khator

DATE 1/30/09

DATE 1/29/09
UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE: Finance and Administration


DATE PREVIOUSLY SUBMITTED:


FISCAL NOTE:

SUPPORTING DOCUMENTATION: The Annual Financial Report Document is available on the University Website

ACTION REQUESTED: Information

COMPONENT: University of Houston System

PRESIDENT

EXECUTIVE VICE CHANCELLOR Carl Carlucci

CHANCELLOR Renu Khator

DATE 1/30/09

DATE 1/29/04

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UNIVERSITY OF HOUSTON SYSTEM
BOARD OF REGENTS AGENDA

COMMITTEE:  Finance and Administration

ITEM:  Contract to Provide Electrical Service for the University of Houston System

DATE PREVIOUSLY SUBMITTED:  N/A
SUMMARY:
Sempra Energy Solutions was awarded the electricity contract. Of the three finalists, they were the lowest bidder and had the highest credit rating (AA). They offered the following prices:

$64.17 / MWh for the Houston Zone (UH, UHCL, UHD, Cinco Ranch, and Sugarland)
$60.10 / MWh for the South Zone (UHV)

Sempra also made a contractual commitment to utilize 25% HUB subcontractors without any additional cost:

Seller shall use commercially reasonable efforts to purchase approximately twenty-five (25) percent of Buyer’s Contract Quantities from Historically Underutilized Businesses (HUB) as defined by Texas Government Code Section 2161.001. Notwithstanding the foregoing, in the event that Seller does not purchase electricity from a HUB for any reason, Seller shall not be considered in Default or otherwise obligated to purchase HUB electricity under the Agreement. The Parties further agree that if Electricity is procured on behalf of Buyer from a HUB, Seller will provide confirmation of such, including the: (a) legal entity name of the HUB; (b) HUB vendor identification number; (c) quantity of electricity purchased; and (d) the term of delivery.

Sempra’s prices are over $11 / MWh lower than our current contract with Constellation New Energy.

FISCAL NOTE:  Estimated annual savings over the previous contract is $2,897,500.

SUPPORTING DOCUMENTATION:

ACTION REQUESTED:  Information

COMPONENT:  University of Houston System

PRESIDENT

EXECUTIVE VICE CHANCELLOR  Carl Carlucci

CHANCELLOR  Renu Khator

DATE  1/30/09

DATE  1/29/09

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