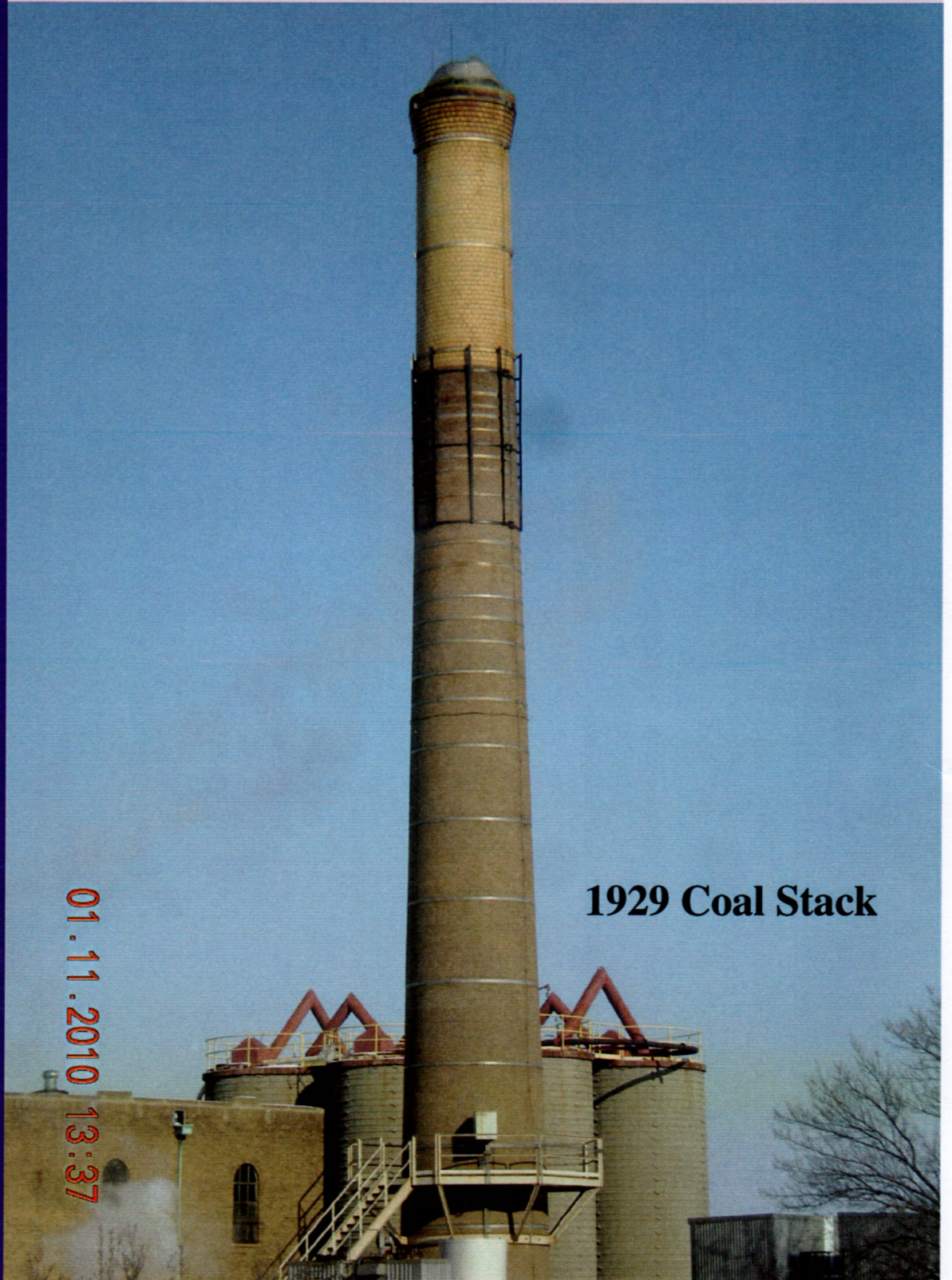




WESTERN
ILLINOIS
UNIVERSITY

Western Illinois University

2010 COPS Issuance for Capital Renewal



1929 Coal Stack

01.11.2010 13:37

Letter of Intent



**WESTERN
ILLINOIS
UNIVERSITY**

November 25, 2009

Mr. Dan Long, Executive Director
Commission on Government Forecasting and Accountability
703 Stratton Office Building
Springfield IL 62705

Dear Mr. Long:

Western Illinois University requests to present to the Commission the heating plant, steam line, and residence hall sprinkler projects to be financed with Certificates of Participation in Accordance with Public Act 096-0015. These Certificates will be sold through a public offering to finance the project. The University assesses a facilities enhancement and life safety fee which will be used to pay debt service. Board of Trustees approval is anticipated on Friday, December 18.

The project includes approximately \$5 million of heating plant capital improvements, \$5 million of steam line replacements, and \$1.5 million for the reimbursement of the installation of residence hall sprinklers.

The heating plant improvements are planned to ensure continued operational reliability and improve the efficiency of the sole heating source for the campus. Reliability projects include replacing the coal masonry stack, updating the coal handling system, replacing and relocating 80-year-old electrical equipment, recasing and retubing a gas boiler along with several other smaller miscellaneous projects. Efficiency increasing projects include installing a variable frequency drive and economizer on a gas boiler and installing a boiler blowdown heat recovery system.

The current brick coal masonry stack circa 1920's which is located in the heart of campus is currently being held together with metal bands and is in very poor condition. The 1920's electrical switchgear also needs to be replaced and relocated since it is not only obsolete but located with steam lines overhead.

WIU has experienced serious, multiple breaks in aging steam lines requiring parking lots to be torn up and buildings without heating and cooling. Phase I is to install new steam lines serving approximately 1.5 million square feet of space including four academic buildings and six residence halls. This phase will include approximately 1500 linear feet of walk and shallow tunnels to replace the original direct buried steam lines that are fifteen years beyond their life expectancy.

WIU has not received any capital renewal from the State of Illinois since FY04 which now totals a loss of approximately \$7.0 million that would have been spent on heating plant and steam line

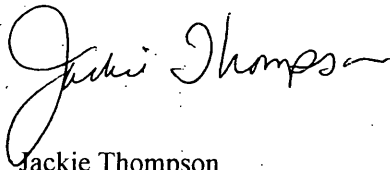
Vice President for Administrative Services
Sherman Hall 200, 1 University Circle, Macomb, IL 61455-1390
Tel 309.298.1800 Fax 309.298.1802

upgrades. It is further uncertain when the approved FY10 capital renewal increment of \$3.5 million will be released to WIU due to the dire economic conditions found in the state. A critical point has been reached where WIU must ensure that there is dependable heating and cooling in our residence halls and academic and administrative buildings. Lack of cooling in the summer months can be tremendously uncomfortable but there is no way in the winter months that residents can reside in the halls or employees can work or teach in buildings that do not have heat.

When the state mandated sprinkler installation in student housing, WIU established the Facilities Enhancement and Life Safety Fee to fund the installation of the sprinkler systems. Certificates of participation were issued in November 2005 to pay for Phase I of the sprinkler projects. Because the Phase I projects were completed for less than original estimates, only \$1.5 million in additional funds was needed for Phase II. Since \$1.5 million is too small an amount to warrant a tax exempt financing, the University signed a reimbursement resolution and completed the Phase II projects with available local funds. Those local funds will be reimbursed with proceeds of the 2010 Certificates of Participation. The Facilities Enhancement and Life Safety Fee will be utilized to pay the debt service on both the 2005 and 2010 Certificates of Participation.

We look forward to discussing these critical projects with you.

Sincerely,



Jackie Thompson

Vice President for Administrative Services

cc: Al Harris
Charles Darnell
Julie DeWees
Dave Steelman
Scott Coker
Sue Collins
Cheryl Webster

BOT COPS Project Resolution

Resolution No. 09.12/6: Certificate of Participation - Authority

VP Johnson stated this is sort of set up and we are in the process of looking at COPS issuance to take care of a number of our infrastructure issues, our heating plant and also our steam lines. There is \$1.5 million for your payment to finish off the last of our sprinkling so we are in the process of beginning that effort. John Vincent is here, our financial consultant so you have the information here and we would be happy to answer any questions you might have relative to that and we will proceed from there.

Trustee Houston commented I would just have a comment and I will support this, but at the time we passed the student fee the idea was the student fee was going to be used for things that directly benefit the students. What we are doing here is using the student fee to pay for this work which includes four academic buildings which the State should be paying for. VP Johnson and VP Thompson replied we agree. Trustee Houston added I understand. I am not accusing anybody because I understand there is no other money to do this, but I will be honest with you if I knew we were going to keep doing this – I am not sure I would have voted to pass this thing the original fee but we did it because that was not the purpose of it. What we are allowing just as Al had made the comment about taking the State off the hook. We are taking the State off the hook for infrastructure that the State is responsible for. This is an absolute crime in my opinion that we are forced to do this. Again, I am voicing my opinion that the students – this State is just shirking its students in terms of paying for basic infrastructure that they should be paying for and should have been paying for. I understand why we are doing it but boy it really upsets me.

President Goldfarb added as I said to Mike on the phone I feel exactly the same way. The reality is though probably if you compared our fee to what is going on around the rest of the state in terms of student fees we are actually not trying to increase the fee – we are just trying to squeeze out the fees we already have. The reality is almost every institution in the state has gone higher in terms of facility fees including my former institution. They have all generated much more significant and it is problematic. I am in total agreement. It's the same argument as this morning the State continues to download on students much of the costs. Trustee Houston added and for legislators that sit there and say well why is tuition going up – well tuition is going up because the State is not paying their fair share of the cost of public education. Now you are dealing with basic infrastructure that the State is just totally ignoring and I just personally think that is an absolute crime by State government.

VP Johnson added I certainly would think that each one of us agree with that as adamantly as you do Mike. I would suggest that one of our obviously major concerns is the fact that we have residence halls where students live that if we don't do these sorts of things they are going to end up without heating and cooling at some point in time. Cooling I can live more without but heating is a problem in the winter time. VP Thompson noted we have been lucky the steam lines broke in the summer and not in the winter. We have not had any capital renewal from the State for five or six years. That's almost \$7 million we have not received capital renewal, just re-tubing the gas boiler that was on our capital renewal request six or seven years ago. We have a 1929 switch gear at the Heating Plant – we have got to do something. Now the positive here is that the quality of our staff being able to maintain this. We have water pipes going over the top of the switch gear because it was built in the 20s and that is what we are dealing with and it is truly unfortunate that we are \$7 million in arrearage from the State and now we are being forced to do this. Associate VP Al Harris added we are just fortunate we have these funds frankly to fall back on to help our students.

Trustee Ehlert Fuller asked if folks were present to advise perceptions on bonds. VP Johnson stated John Vincent is our financial adviser and has worked with our bonding records over a course of long time now. Mr. Vincent commented Mike and I are running a dilemma – many of your sister institutions have faced this same issue of having projects that just absolutely need to go bond from their perspective and just cannot wait for the state to start. For example, Governor State University is an institution with a smaller scope than Western, \$23 million of needed infrastructure improvements to bring their campus which was

built in the 60s into a situation where they are just playing safe. The money from the State was not sufficient to keep up with it so they passed a student fee and have used that as the source for repayment of the certificates. Similarly at Eastern Illinois, \$56 million for a new steam plant from their perspective fairly the State's responsibility to provide this kind of infrastructure. But, they had to make a decision and the decision was to find another means for the payment so they moved ahead. Western is not alone in this dilemma and it is an issue that folks will be facing for years to come. More specifically in regard to your financing if I were here 12 or 13 months ago, we probably would not be having this discussion because the financial markets were at least from our perspective, effectively frozen. Folks who were issuing tax exempt bonds in the fall of 2008 were issuing them at mostly relative high rates relative to where the market was. Market conditions have improved significantly throughout 2009 and in the terms that interest rates for conventional tax exempt bonds that come down to near historically low levels and in addition through the federal stimulus legislation a new option is available for public universities for financing new projects. That is to actually issue taxable bonds, it's called the Build America Gold Bond Program, and over the course of the repayment of those bonds, the federal government will pay 35% of the interest. In effect, the issued bonds and our effective cost at Western will be 65% of the interest rate of which they are sold. When you do the math, the 65% of a taxable rate is less than what we can issue conventional taxes on bonds. Currently, we are in a positive environment interest cost wise going into this new year.

Trustee Epperly asked if there will be any cost savings from any of the projects from the efficiency standpoint. Scott Coker noted about half the projects at Heating Plant will improve efficiency along with reliability. On the direct based steam lines, we are replacing all the bad insulation on those lines which are putting a lot of heat into the ground so we will replace with new tunnels. Just in the last couple of weeks, we have had a concert line that keeps breaking that is basically rusted out and we try to repair it. Yesterday before we fixed it, we were losing about 75,000 gallons a day which is the water that comes back from the buildings, so we were not getting that water back. We have to heat up cold water from the city and soften it, so we will have a lot of efficiency there that we will improve on.

Trustee Epperly commented from a financial standpoint – are we going to be able to redirect those funds to help pay off the bonds? Scott Coker replied it is utility money. VP Thompson added with the rate of natural gas it will probably be more of cost avoidance than any true savings. I think there will be some real cost avoidance for us. Utility bills have gone up so much over the last few years so it is going to be pretty tough to save. VP Johnson noted anything we save since we split utility bills the way we do – part of it comes back to auxiliary and part to general side – so there will be some savings that will offset. Chair Nelson asked when the project completion date is if we pass. Scott Coker replied I can talk through the project a little bit. We started the QBS selection process to get an engineering firm, so we are hoping in February or March we will have the bonds available and firm selected. We will start design immediately; and by fall, we will hope to start construction. Some of the Heating Plant projects will go a little faster because there is not much design on those. The steam lines are pretty heavy as far as where you run the lines and designing the tunnel. I would hope in about a year and a half we will have all this complete. We are going to push pretty hard because it is very critical. VP Thompson stated we have tried to just constantly replace so we maximize time. Plant and Student Services have already started working on preliminary QBS where we select the engineers just so we can move this ahead as quickly as possible. We are hoping that there are some hungry firms out there that can move it along a little quicker or we can get some better rates. VP Johnson added because it is time sensitive. Scott Coker noted we had a pre-meeting last Wednesday with the QBS engineering firms and they are very hungry for the design.

Trustee Nelson asked if we are replacing lines we have already replaced. Scott Coker replied yes and we are actually running it a different route than what the original lines were because about 8-10 years ago, we completed a tunnel through the center of campus and we are going to extend that to these buildings. A lot of the direct buried lines are on the edge so we are taking a different route so it allows us to do that

construction while the lines are still in operation. This is Phase I for the steam line replacement so this does not get us all the way to the building. We are extending from across University Drive and we will get us to Brophy and depending on what our design is towards North quad or Thompson and Higgins.

Scott Coker reiterated a year and a half from now we will have good progress. Trustee Epperly asked if it is 100% funded by the student fee. Al Harris replied life safety enhancement fee and there are funds available. We currently have a balance of \$1.3 to \$1.4 million so whatever this payment would be and new dollars coming in every year – there is capacity to take care of this payment for this issuance. There still will be some left but our plan has always been to keep raising that certain amount because we still have these issues unless the State steps forward we have to keep going. We have to prepare ourselves and we cannot wait around and then have these kind of catastrophic issues come up. We will go forward and ask for an increase in enhancement fee probably for 11 just so we can keep ourselves moving, plus it will allow students to come forward with new initiatives too that they would like to see. VP Johnson added that way we will have additional capacity if necessary.

John Vincent noted the total annual service is about \$830,000 but you would need to factor out the \$1.5 million that is going in for basically reimbursing for the sprinklers that have already been put in so put about 85% of that service you would associate with infrastructure.

Trustee Houston asked about the interest rate anticipated. John Vincent replied we are following that approach that is newly available to us the Build America Bond approach. I am hoping that on an all end basis for the financing that we will be under 4.5% and that is after the 35% interest subsidy from the federal government. That level is pretty much driven by what treasury rates do between now and the time we finance. At under 4.5%, that would be the best borrowing rate that Western has achieved on 20-year type finance. Trustee Houston added the feds just met – when is the next time they meet? John Vincent replied I don't know – it is usually 45-90 days. The fact that interest rates in general are low particularly in the near end of the year is the two-year treasury is under 1% and that has capped interest rates low throughout the yield from year 2001 through year 2029 and that enables us to achieve these relatively low interest rates. It is the one silver lining in this economic situation is low interest rate.

Trustee Epperly asked if we are constantly looking at our existing bonds to see if it is worthwhile to refinance. John Vincent responded good question – the next opportunity at least in the environment is 2012 and that is when the 2002 bonds are callable. Formally, you could look at advance refunding borrowing a few years in advance of that, unfortunately in this reinvestment environment if you borrow at 4% we would turn around and reinvest those funds until 2012 at 1% and that would not work out very well. 2012 would be a date, especially if you are doing any other system financing, you would look at refinancing at that time.

VP Thompson commented I really want to thank you for this. I know it is very difficult but I have the Physical Plant that is just very appreciative right now. VP Johnson added and I have a lot of students who later on could be appreciative of the warm heat.

Trustee Houston moved to pass Resolution 09.12/6 Certificate of Participation - Authority. Trustee Griffin seconded the motion.

Roll Call

Trustee Ehlert Fuller	Yes
Trustee Epperly	Yes
Trustee Griffin	Yes
Trustee Houston	Yes
Trustee Nelson	Yes
Trustee Taylor	Yes

Motion carried.

Resolution:

WHEREAS the Board of Trustees of Western Illinois University (the "*Board*") has determined it to be necessary and desirable to approve the following capital improvement projects: (a) renovation and improvement of the heating plant, (b) replacement of steam lines and (c) construction and acquisition of sprinkler systems for student housing (collectively and as more completely herein, the "*Improvements*"); and

WHEREAS the Board has authority pursuant to the State University Certificates of Participation Act, 110 ILCS 73 (the "*COPs Act*") to sell certificates of participation and enter into related financing agreements in connection with the financing of capital improvements; and

WHEREAS the Board hereby determines that it is desirable to grant approval for the construction, acquisition, renovation and improvement of the Improvements and to finance the Improvements and related costs through the issuance of certificates of participation under the COPs Act;

THEREFORE Be It Resolved by the Board of Trustees of Western Illinois University in regular meeting assembled, that:

1. The Board hereby grants approval for the following Improvements: (a) the renovation and improvement of the heating plant to ensure continued operational reliability and improve efficiency, including replacing the coal masonry stack, updating the coal handling system, relocating electrical equipment, recasing and retubing a gas boiler, installing a variable frequency drive and economizer on a gas boiler, installing a boiler blowdown heat recovery system and other smaller related miscellaneous projects for an estimated cost of \$5,000,000; and (b) Phase I of replacing steam lines serving approximately 1.5 million square feet of space, including four academic buildings and six residence halls, and the construction of approximately 1,500 linear feet of walk and shallow tunnels to replace the original direct buried steam lines, for an estimated cost of \$5,000,000; and

2. The Board hereby authorizes the execution and delivery of an Installment Purchase Contract and the issuance of Certificates of Participation (Capital Improvement Projects) in one or more series (the "*Certificates*") in connection therewith, in order to provide funds to finance, or reimburse the Board for costs associated with, the Improvements, fund capitalized interest, if any, in an amount determined by the Treasurer of the Board, and pay the costs of issuing the Certificates. The Certificates shall be in an aggregate original principal amount not to exceed \$12,000,000 with a final maturity no later than 30 years from the date of issuance of the Certificates. The cost of the Improvements is estimated to be \$5,000,000 for the heating plant improvement, \$5,000,000 for the steam line, and \$1,500,000 for the sprinkler system, plus costs of issuance estimated at \$110,000.

3. U.S. Bank National Association, Chicago, Illinois, is hereby authorized to serve as Trustee.

4. Pursuant to the Board's existing contract, the firm of Chapman and Cutler LLP is hereby retained as Special Counsel and Disclosure Counsel to the Board.

5. Pursuant to the Board's existing contract, the firm of John S. Vincent & Company LLC is hereby retained as Financial Advisor for the preparation of the Preliminary Official Statement and final Official Statement and other matters related to the sale.

6. The Board approves a competitive public sale of the Certificates, subject to the following conditions: (a) such Certificates to be issued shall not exceed an aggregate principal amount of \$12,000,000 (net of original issued discount, if any); (b) such Certificates will have a final maturity of no later than 30 years from the date of issuance; (c) the price at which such Certificates will be sold will not be less than 97% of the par amount thereof; and (d) the true interest cost of the Certificates will not exceed 6.00% if such Certificates are issued as tax-exempt and not to exceed 9.00% if such Certificates are issued as taxable.

7. The Board approves the preparation and distribution of a Preliminary Official Statement, Official Statement, Official Notice of Sale and Official Bid Form in connection with the sale of the Certificates. The Board approves the form of such documents, copies of which are on file with the Secretary of the Board for recording. The appropriate officer of the Board is hereby authorized and directed to execute the Official Statement and the Official Bid Form in the name of and on behalf of the Board in substantially the forms presented to this meeting, or with such changes as may be approved by the officer of the Board executing the same (including but not limited to changes relating to the issuance of more than one series of Certificates, the interest on one of which is taxable and the other tax-exempt), his/her execution thereof to constitute conclusive evidence of the Board's approval of all changes from the forms thereof presented to this meeting.

8. The Board approves the form of the Installment Purchase Contract, Indenture of Trust, Acquisition Agreement and Continuing Disclosure Agreement. Copies of such documents are on file with the Secretary of the Board for recording. The appropriate officers of the Board are hereby authorized and directed to execute such documents in the name of and on behalf of the Board in substantially the forms presented to this meeting, or with such changes as may be approved by the officer or officers of the Board executing the same (including but not limited to changes relating to the issuance of more than one series of Certificates, the interest on one of which is taxable and the other tax-exempt), his/her or their execution thereof to constitute conclusive evidence of the Board's approval of all changes from the forms thereof presented to this meeting.

9. The Board approves the purchase of certificate insurance for the Certificates, if required by the successful bidder for the Certificates, and agrees to comply with the terms and provisions of such certificate insurance, if such terms are approved by the Treasurer of the Board to be in the best interests of the Board.

10. The final terms of the Certificates shall be approved by the Board Treasurer within the parameters set forth in this resolution.

11. The Board acknowledges that the Certificates will not be issued prior to complying with all necessary procedures and receiving all necessary approvals for the issuance of the Certificates and the acquisition and construction of the Improvements, including but not limited to, the approval of the Illinois Board of Higher Education, and the requirements set forth in the COPs Act.

12. The members, officers, agents and employees of the Board are hereby authorized and directed to do all such acts and to execute all such documents as may be necessary to carry out and comply with the provisions of this resolution and with the actions of the members, officers, agents, and employees of the Board which are in conformity with the intent and purposes of this resolution, whether heretofore or hereafter taken or done, which actions shall be and are ratified, confirmed and approved.

Utility Master Plan

Utility Infrastructure Master Planning

Introduction

Over the past year, Affiliated Engineers Inc. of Madison Wisconsin, working together with Facilities personnel and other University constituencies, have participated in comprehensive utility master planning for Western Illinois University. Master planning objectives included; 1) Review and update the Central Chilled Water Plant study conducted by Henneman Raufeisen in 2003. 2) Review and update various heating plant capital renewal studies and costs estimates. 3) Update cost estimates for steam distribution line replacement. 4) Determine what new Energy Plant configuration would be optimal in serving future WIU utility needs.

Heating Plant & Steam Distribution

The master planning analysis of the existing Heating Plant and steam line priorities identified \$27.5 million in critical capital renewal projects required to maintain heating and cooling reliability on campus. Utility infrastructure planning conclusions and information obtained from a Facilities Condition Assessment also completed in 2009, were presented to the WIU Board of Trustees in October 2009. Currently, WIU is responding to these issues by initiating a Phase I, \$10 million capital renewal upgrade for the Heating Plant and steam distribution system.

Chilled Water

The review of a central chilled water plant for campus has again shown a 30-year net present cost (NPC) advantage over individual chiller replacements in campus buildings. The NPC of a Central Plant was found to be \$12 million less than the life cycle cost of replacing independent chillers. This finding is comparable to the \$14 million NPC advantage found in the 2003 Henneman study. This life cycle cost advantage also occurs irrespective of the recent chiller replacements in three South campus buildings. Replacement of individual building chillers is also shown in the study to have the higher first cost of the two options, as there are greater numbers of chillers to be installed, a higher total capacity requirement, and because most buildings will require electrical upgrades to accommodate new electric chillers.

The largest current impediment to building a central plant is the lack of State funding support for infrastructure and the negative impact that locally generated funding has on the price of higher education at WIU. And while it is significant that the total first-cost of individual chiller replacements will exceed the total cost of a central plant, continued deferral of single chiller replacements until failure may appear to have the lesser overall impact on current expenses. However, this strategy includes greater risk of prolonged service outages, higher ancillary costs for rental chillers, and very real opportunity losses from redirected Facilities resources when chillers fail. As such, since it is uncertain that deferring replacement is actually better, even in the short run, WIU should not abandon the option of building a central campus chilled water plant.

Another option evaluated to help mitigate the high capital cost of a single central plant, was to build two satellite plants at different times. A South-side plant could serve campus buildings from North of Murray Street to Adams Street. Two possible locations for a South-side Plant include the abandoned Natatorium adjacent to the existing Heating Plant and a proposed parking deck near the new Performing Arts Center. Deferring a North-side satellite plant while also replacing the remaining individual chillers in North campus facilities could reduce initial capital requirements. Still, the AEI study identifies a \$6.6 million NPC advantage and a lower first cost to employ a two-satellite plant approach in lieu of independent chiller replacement, with the central plant option having the best overall economic advantage of either strategy.

The Optimal Heating Plant

Under current environmental regulation, a coal burning fluidized bed steam generation plant would be the optimal WIU thermal Plant when considering all life cycle costs. However, the AEI study shows that when speculating on a carbon tax of only \$20 per ton, the optimal plant then becomes a natural gas fired cogeneration plant. However, AEI did not adjust for different levels of market inflation between coal and natural gas over a plant life cycle in their analysis. Using uniform inflation of fuel options may not provide the most accurate comparison between plant technologies. Yet, given the uncertainty of proposed cap and trade legislation and future impacts of supply and demand on various fuel options, including biomass, a determination on optimal energy plant technology could not be made in the 2009 Utility Infrastructure Master Plan.

Summary

Current plans for capital renewal in the existing Heating Plant should ensure seven to ten more years of reliability. It is therefore recommended that the 2009 AEI study be revisited in about five years when some of the uncertainty over fuel pricing and environmental controls has been resolved. While even then it will be impossible to exactly pinpoint all cost variables, sensitivity analysis within the financial models should enable WIU to make an informed decision on a new energy plant strategy. Finally, University Facilities personnel will continue to monitor grant opportunities and other similar initiatives that might resolve or overcome the impacts of the current uncertainties on the question of what energy plant technology is optimal for WIU.

Project Scope

**HEATING PLANT IMPROVEMENTS
WESTERN ILLINOIS UNIVERSITY**

1/11/2010

ITEM NO.	DESCRIPTION	PRIORITY	COMMENTS
1	REPLACE STACK	HIGH	RELIABILITY/SAFETY
2	UPDATE MACAWBER COAL HANDLING	HIGH	RELIABILITY/ EFFICIENCY
3	RELOCATE / UPGRADE ELECTRIC EQUIPMENT	HIGH	RELIABILITY/SAFETY
4	INSTALL DEAERATOR MULTIPOINT VALVE	HIGH	RELIABILITY
5	INSTALL BOILER BLOWDOWN HEAT RECOVERY SYSTEM	HIGH	EFFICIENCY*
6	PURCHASE & INSTALL NEW I.D. FAN FOR BOILER NOS. 2 & 3	HIGH	RELIABILITY/ EFFICIENCY*
7	RECASE / RETUBE BOILER NO. 5	HIGH	RELIABILITY
8	INSTALL VFD ON FD FAN FOR BOILER NO. 5	MEDIUM	RELIABILITY/ EFFICIENCY*
9	INSTALL ECONOMIZER ON BOILER NO. 5 AND REPLACE STUB STACK	MEDIUM	EFFICIENCY*
10	SWITCH TO DISTILLATE OIL BACK-UP	MEDIUM	RELIABILITY/ EFFICIENCY*
11	REPLACE COAL BREECHING	MEDIUM	RELIABILITY
12	BUNKER CUT VALVES	MEDIUM	RELIABILITY
13	MODIFICATIONS TO FEEDWATER PUMPS (DIFFERENT HEADS)	MEDIUM	RELIABILITY
14	MINIMUM LIME INJECTION SYSTEM TO BAGHOUSE	MEDIUM	RELIABILITY EXTEND LIFE OF BAGHOUSE
15	AIR COMPRESSOR DUCTWORK	MEDIUM	RELIABILITY
16	NEW CONTROL VALVES (CONDENSATE RECEIVER TO DEAERATORS)	MEDIUM	RELIABILITY
17	UPGRADE DEAERATOR STEAM CONTROL VALVES	MEDIUM	RELIABILITY
18	INSTALL VFD'S ON FD FANS FOR BOILER NOS. 6 & 7	MEDIUM	EFFICIENCY*
19	MODERNIZATION OF BURNER MANAGEMENT SYSTEM	MEDIUM	RELIABILITY/ EFFICIENCY*

Utility Corridor Budgetary Estimate

Utility Corridors for WIU
 Budgetary Estimate Only FROM WIU numbers

Steam Line Installations	Extended Cost	Feet	\$/ft	Type	Notes	Running Total	Phase
Existing Tunnel to University Drive (MH8)	\$ 2,000,000	400	\$ 5,000	Walk through tunnel	Provides Redundancy	\$ 2,000,000	I
MH8 at University to Brophy MH7	\$ 840,000	420	\$ 2,000	Shallow tunnel		\$ 2,840,000	I
MH8 to Thompson Drive MH9	\$ 1,400,000	700	\$ 2,000	Shallow tunnel		\$ 4,240,000	I
Brophy MH7 to North Quad (University drive only)	\$ 2,600,000	1,300	\$ 2,000	Shallow tunnel		\$ 6,840,000	II
Across University to MH 26	\$ 800,000	400	\$ 2,000	Shallow tunnel		\$ 7,640,000	II
MH 26 to Buildings	\$ 300,000	300	\$ 1,000	Direct Bury		\$ 7,940,000	II
Thompson Drive MH 9 to MH12	\$ 800,000	400	\$ 2,000	Shallow Tunnel		\$ 8,740,000	II
MH 12 to Thompson	\$ 250,000	250	\$ 1,000	Direct bury		\$ 8,990,000	II
Total all Steam Lines	\$ 8,990,000	4,170					

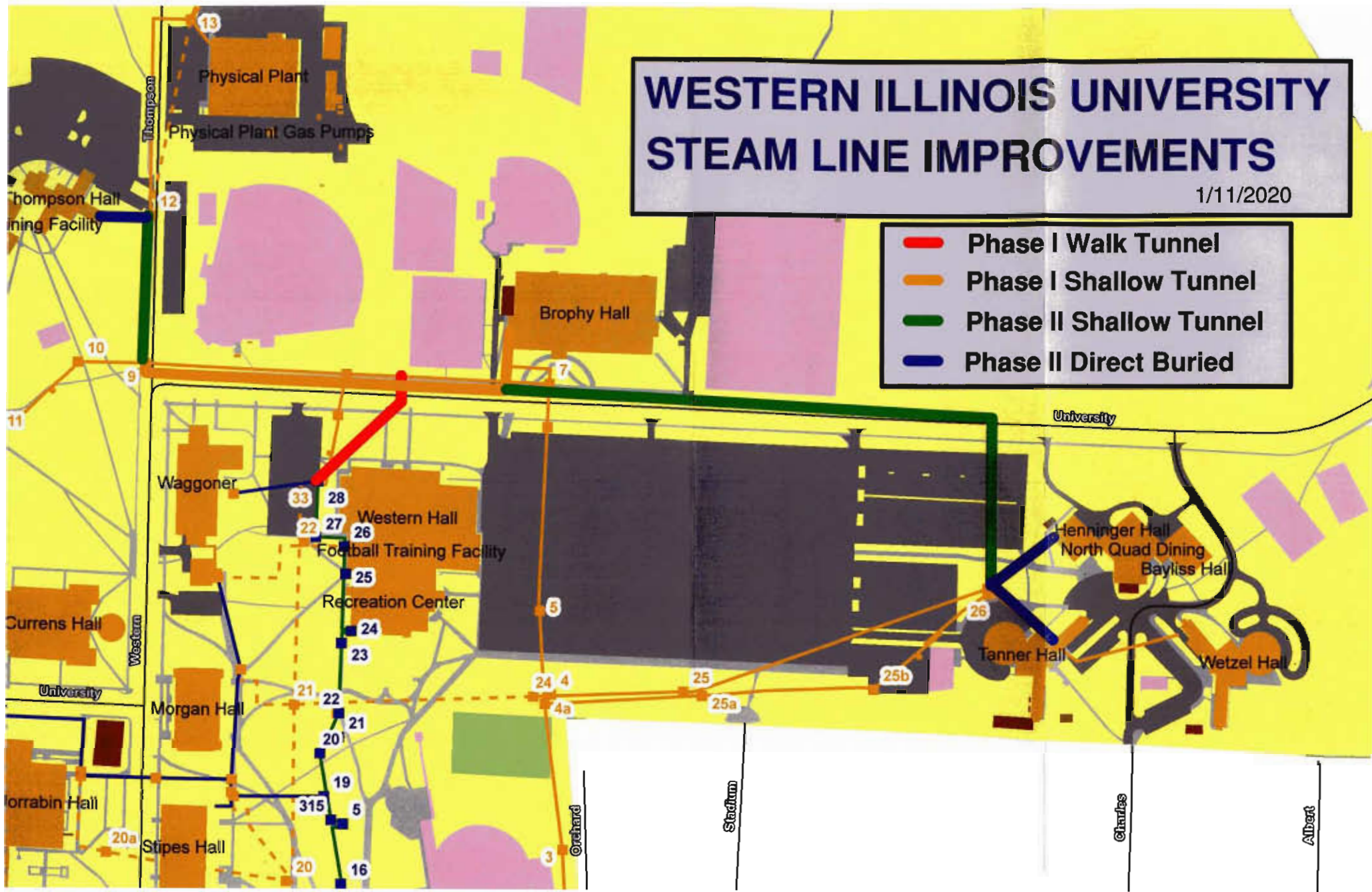
Life expectancy:
Walk Tunnel 100 years
Shallow Box 50 years
Direct Buried 30 years

Supporting Documents

WESTERN ILLINOIS UNIVERSITY STEAM LINE IMPROVEMENTS

1/11/2020

- Phase I Walk Tunnel
- Phase I Shallow Tunnel
- Phase II Shallow Tunnel
- Phase II Direct Buried



DECLARATION OF OFFICIAL INTENT

I, Jacqueline K. Thompson, being an authorized representative of the Board of Trustees of Western Illinois University (the "Board"), hereby declare as follows:

(i) the Board reasonably expects to reimburse itself for the capital expenditures set forth in *Exhibit A* hereto (the "Expenditures") with the proceeds of tax exempt financing to be incurred on behalf of the Board;

(ii) the costs represented by the Expenditures have been or will be paid no earlier than 60 days prior to the date of this declaration; and

(iii) the maximum principal amount of such tax exempt borrowings to be issued for the Expenditures is \$2,100,000.

Dated: June 16, 2008

By: _____


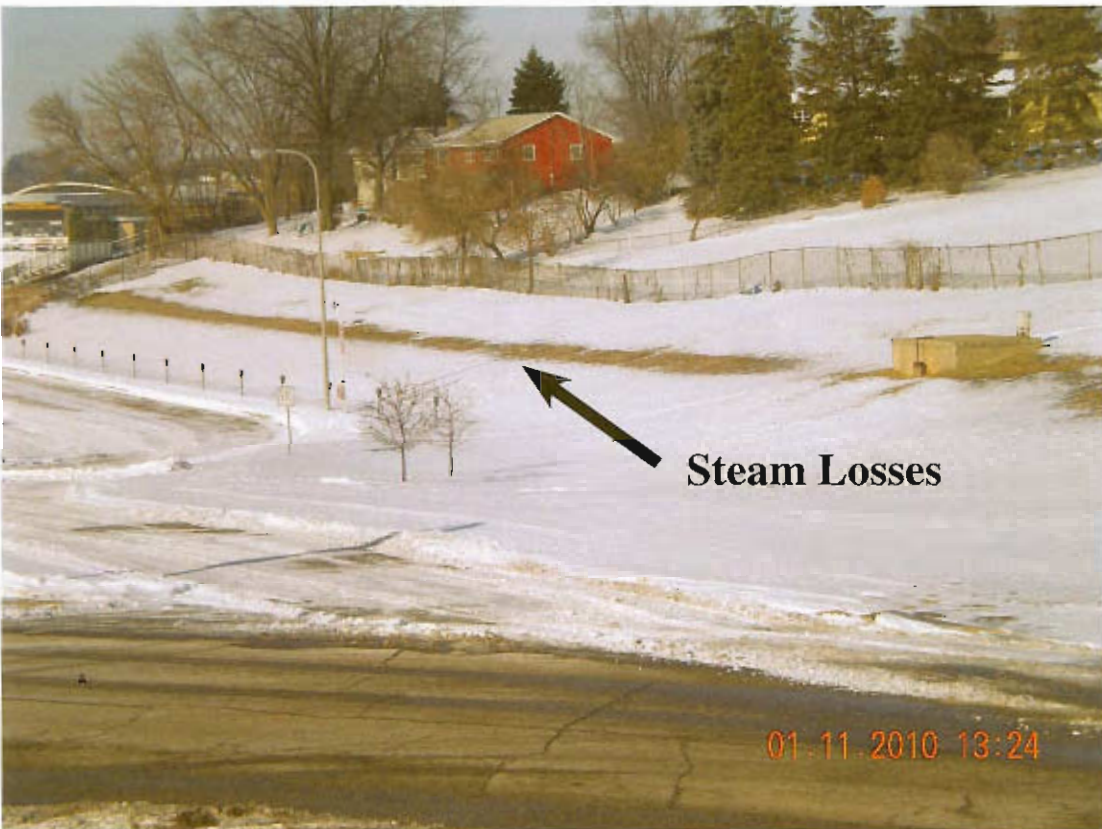

Title: Vice President for Administrative
Services of the University and Treasurer of
the Board

EXHIBIT A

Student Housing Fire Sprinkler Systems



1929 Coal Stack



Lost Steam Energy



Corroded Steam Pipes



Corroded Steam Pipes



1965 Steam Line



1929 Electrical Switch Gear