

FOR BOARD ACTION

Agenda Item # 7

Meeting Date:

9/28/04

SUBJECT:

RPU Steam Supply Project Status Report

PREPARED BY:

Wally Schlink, Director of Power Resources

ITEM DESCRIPTION:

As early as 1989, the long-range utility supply plans have recognized the potential benefits of a partnership between Mayo and RPU to supply steam from the Silver Lake Power Plant to the Mayo campus to meet the future energy requirements.

In 1997, staff from both organizations started informal discussions on a potential steam sale project and although all concerned recognized the potential benefits from such a project, the timing wasn't right to commit to a project of this magnitude.

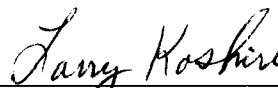
In 1999, with the completion of the Gonda Building and the continued growth of the campus, Mayo and RPU staff reconvened discussions on the project and came to an agreement on the scope and terms of a steam supply project. Since then the Utility has been involved in design, specifications, bids, contracts, procurement and permitting for the project.

It would appear that those efforts are coming to fruition and the construction and commissioning phases of the project will commence this fall with commercial operation of the steam supply system scheduled for fall of 2005.

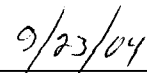
This report is an update to the RPU Utility Board on the financial and construction status of the project.

UTILITY BOARD ACTION REQUESTED:

No action by the Board is requested. This is a discussion item.



General Manager



Date