

BOARD OF REGENTS BRIEFING PAPER

Agenda Item Title: Southern Nevada Water Authority (SNWA) Turf Reduction Project - Approval of Declarations of Restrictive Covenants

Meeting Date: June 16, 2011

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

UNLV has made significant strides in implementing efficiencies in utilities resulting in significant cost savings. Electricity and natural gas has seen a 37% usage reduction per square foot since FY2000. During this same period, about \$2M was avoided in water costs through savings and rebates. The UNLV Department of Facilities Management was awarded the 2010 Association of Physical Plant Administrators (APPA) Award for Excellence – the highest honor for an education-based facilities management program in the US and abroad, partially due to its efforts in sustainability/utilities efficiencies. In 2009, the department received one of the state’s highest honors – the Cashman Good Government Award – from the Nevada Taxpayers Association for efficient and effective use of taxpayer funds. UNLV has won numerous other awards for water and energy efficiencies, including the Achievement Award from Maintenance Solutions Magazine and the PGMS Green Star Award. In 2009, Southern Nevada Water Authority (SNWA) selected two UNLV turf reduction projects for awards through competition throughout Southern Nevada. UNLV was awarded first place for the project at Beam Music Building (Maryland Parkway side) and second place for the project at Alta Ham Fine Arts Building. All of these projects are constructed and designed with in-house work forces. UNLV’s Landscape and Grounds Department is constantly featured in numerous national grounds keeping magazines and was specifically cited in Maintenance Solutions February 2010 for converting turf to water savings.

UNLV has been a very active participant in turf reductions, which has contributed significantly to water efficiency and reduction. Since 1998, UNLV has removed almost 23 acres of turf and replaced it with desert landscaping, receiving \$892,408 in rebates from SNWA, as well as savings on water bills. These actions are projected to save over 44,750,000 gallons of water per year. The rebate from SNWA that UNLV is applying for would cover the cost of the turf reduction project, allowing us to have immediate reductions in water consumption. We have implemented numerous turf reduction projects in the past, but are not able to continue these projects without Investment and Facilities Committee action due to changes at the SNWA.

The process for applying for rebates from SNWA has changed due to a change in SNWA’s source of funding for rebates. Previously, the funding for rebates came from cash generated from developer fees, but as the development/construction industry went into an economic decline the funding drastically declined. Currently, the source of funding for SNWA rebates comes from tax exempt debt financing. As a condition of such financing, SNWA is required to have a capital interest in the property related to the rebates. Accordingly, part of the application process for obtaining the rebates includes a declaration of restrictive covenant that must be recorded against the land owned by the applicant. UNLV may make modifications to the project without SNWA’s consent in the course of normal maintenance so long as such changes provide equal or greater water efficiency. If the land is converted back to turf, SNWA has the right to damages and other equitable relief to enforce the covenant.

UNLV will be removing 24,000 square feet (over .55 acres) of turf at the Carlson Education Building and replacing it with desert landscape. As part of that reduction, UNLV is applying for a rebate under the SNWA Smart Landscapes Program, pending approval of the Declaration of Restrictive Covenant by the Investment and Facilities Committee. The rebate of approximately \$36,000 will pay for all costs of the project, including new plantings.

UNLV is also seeking approval from the Investment and Facilities Committee to delegate future turf reduction project approvals to the Chancellor, including execution of required documents. UNLV has numerous additional turf reduction options to consider in the future, and would like to have the delegation in place to allow the projects to move forward more efficiently.

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

President Neal Smatresk requests approval of the Declaration of Restrictive Covenant associated with the SNWA application and agreement for turf reduction of 24,000 square feet at the Carlson Education Building under the Water Smart Landscapes Program. In addition, President Smatresk requests approval of delegation of authority to the Chancellor for the following: 1) implementation of the current SNWA turf reduction program and any successor programs; 2) conversion of any landscaped areas of the master plan, at UNLV’s discretion; and 3) execution of the Corporate Acknowledgment, the Application and Agreement, the Declaration of Restrictive Covenant and any other required documents for current and future turf reduction projects under the SNWA program and any successor programs.

4. IMPETUS (WHY NOW?):

- An approval of the Restrictive Covenant is now required by SNWA to move forward with the Turf Reduction Project and receive SNWA rebates and immediate water cost savings.

5. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

- The plan to remove 24,000 square feet of turf and convert to desert landscaping will conserve water, reducing water bills and landscape maintenance costs.
- SNWA rebate is estimated at \$36,000.
- We have had many turf reduction projects in the past, and anticipate many more in the future.

6. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

- Future use of System land should not be restricted.
- Board action should be required for each future restrictive covenant.

7. ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:

- Forgo the rebate(s) and convert to desert landscaping.
- Forgo the conversion and retain turf.

8. COMPLIANCE WITH BOARD POLICY:

Consistent With Current Board Policy: Title # _____ Chapter # _____ Section # _____
 Amends Current Board Policy: Title # 4 Chapter # 10 Section # 1.9
 Amends Current Procedures & Guidelines Manual: Chapter # _____ Section # _____
 Other: _____
X Fiscal Impact: Yes X No _____
Explain: UNLV will benefit from receiving \$36,000 in current rebates from SNWA and may continue to apply for additional turf reduction rebates in the future.