

C O N T E N T S  
MINUTES OF A REGULAR MEETING  
BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA  
NOVEMBER 10, 1983

Minutes of the regular meeting held on October 13, 1983 (17714)

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MINUTES OF A REGULAR MEETING  
THE UNIVERSITY OF OKLAHOMA BOARD OF REGENTS  
NOVEMBER 10, 1983

A regular meeting of the Board of Regents of The University of Oklahoma was held in the auditorium of the Health Sciences Library on the Oklahoma City Campus of the University on Thursday, November 10, 1983 beginning at 9:10 a.m.

Notice of the time, date, and place of this meeting was submitted to the Secretary of State as required by Enrolled House Bill 1416 (1977 Oklahoma Legislature).

The following Regents were present: Regent Ronald H. White, M.D., President of the Board, presiding; Regents Dan Little, Julian J. Rothbaum, Tom McCurdy, John M. Imel, and Charles F. Sarratt.

Absent: Regent Thomas Elwood Kemp.

The following also were present: Dr. William S. Banowsky, President of the University, Provosts John R. Morris and Clayton Rich, Vice Presidents Anona L. Adair, Arthur J. Elbert, and R. Gerald Turner, and Barbara H. Tuttle, Executive Secretary of the Board of Regents. Other executive officers present were Mr. Stanley M. Ward, General Jay T. Edwards, and Mr. Larry C. Brawner.

The minutes of the meeting held on October 13, 1983 were approved as printed and distributed prior to the meeting on motion by Regent McCurdy and with the following affirmative vote: Regents White, Little, Rothbaum, McCurdy, Imel, and Sarratt. The Chair declared the motion unanimously approved.

President Banowsky reminded the Regents that this is Homecoming Weekend and we will be welcoming alums back to the campus from all over the country at various homecoming activities. He reported also that the Bizzell Memorial Library has added its two millionth volume. The book, more than 350 years old, was a gift from a European rare book dealer and, appropriately enough, is about how to build a great library. Dr. Banowsky said the book will be officially presented at half-time of the football game on Saturday.

## I. The University

### INVESTMENTS

On October 17, two \$150,000 Certificates of Deposit matured at First National Bank and Trust Company of Oklahoma City and at Liberty National Bank and Trust Company of Oklahoma City. Following approval by the President of the University, the Trust Officer renewed the two CD's at 9 5/8% maturing April 16, 1984.

President Banowsky recommended confirmation of this investment action.

Regent Sarratt moved approval of the recommendation. The following voted yes on the motion: Regents White, Little, Rothbaum, McCurdy, Imel, and Sarratt. The Chair declared the motion unanimously approved.

## II. Health Sciences Center

### FACULTY PERSONNEL ACTIONS

#### LEAVES OF ABSENCE:

Daniel Trachewsky, Professor of Medicine, sabbatical leave of absence with half pay for July 1, 1983 through June 30, 1984 changed to full pay for August 1, 1983 through January 31, 1984; leave of absence without pay, April 1, 1984 through July 31, 1984.

Renee W. Papper, Clinical Associate Professor of Radiological Sciences, leave of absence without pay, October 1, 1983 through March 31, 1984.

Edgar W. Young, Jr., Associate Professor of Medicine, Clinical Associate Professor of Family Medicine, and Associate Dean for Student Affairs and Director of Admissions, sick leave of absence with pay, July 29, 1983 through November 15, 1983.

#### APPOINTMENTS:

Jerry W. Davis, D.V.M., Clinical Professor of Family Medicine, without remuneration, July 1, 1983.

Jack Clifford Fitzpatrick, M.D., Clinical Professor of Family Medicine, without remuneration, July 1, 1983.

William Sanford Babcock, M.D., Clinical Associate Professor of Family Medicine, without remuneration, July 1, 1983.

Helen Constance Andruss, Adjunct Assistant Professor of Communication Disorders, without remuneration, July 1, 1983.

Connie E. Stout, Adjunct Assistant Professor of Communication Disorders, without remuneration, July 1, 1983.

Albert C. Tipton, Adjunct Assistant Professor of Communication Disorders, without remuneration, July 1, 1983.

Thomas Conrad Birk, M.D., Clinical Assistant Professor of Family Medicine, without remuneration, July 1, 1983.

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James William Stokes, M.D., Clinical Assistant Professor of Family Medicine, without remuneration, July 1, 1983.

Martin Lewis Waldman, M.D., Clinical Assistant Professor of Family Medicine, without remuneration, July 1, 1983.

Richard B. Dawson, M.D., Clinical Assistant Professor of Otorhinolaryngology, without remuneration, October 31, 1983.

Patricia A. McKnight, M.D., reappointed Clinical Assistant Professor of Psychiatry and Behavioral Sciences, without remuneration, July 1, 1983.

Sandra Kay Stanfill, Adjunct Instructor in Clinical Dietetics, without remuneration, August 23, 1983.

Jose Enrique Alfonso, Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

John Frank Armstrong, Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

Richard J. Borman, M.D., Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

David Carlton Brewer, Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

Larry Wayne Calfee, Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

Joseph Daniel Cambre, Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

Matthew Barr Carp, Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

LeRoy Daniel Costa, Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

James Brice Dickson, M.D., Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

Cecil Byron Drain, Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

John Evans Dyer, M.D., Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

William Hartley Fenn, Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

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Ronald Edward Field, Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

Charles Elwood Fields, Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

Emmett Lee Foulds, Jr., Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

Robert Roscoe Harrison, Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

Russell Clifford Holmes, M.D., Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

Ada Kelly Houston, Ph.D., Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

John Willie James, Jr., Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

Maureen Mary Killby, Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

Clarkjon Knutson, M.D., Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

Edward Ray Liscombe, Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

Edward Joseph Luminati, Clinical Instructor in Family Medicine, without remuneration, August 8, 1983.

Donald Francis Mangarelli, Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

Gary Allen Mellick, D.O., Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

James O. Murray, Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

John Allan Neese, Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

Norman Francis Nivens, J.D., Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

Lawrence LeRoy Palmer, Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

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Bruce D. Patterson, Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

Lillian Elizabeth Perez, M.D., Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

Verdon Joseph Peters, D.P.M., Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

Edwin Lanar Phillips, Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

Paul Phillip Press, Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

Margaret Rivera, Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

Harold William Robinson, Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

Glenn Anderson Shields, Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

Richard Arthur Speedlin, M.D., Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

Thomas Pierce Starr, M.D., Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

William Forbes Wallace, D.D.S., Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

David Jean Westhuis, Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

Gene Withrow, D.M.D., Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

Joseph M. Zasik, D.O., Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

John Emerson Zweig, D.M.D., Clinical Instructor in Family Medicine, without remuneration, July 1, 1983.

Janet L. Fundaro, Clinical Instructor in Nursing, without remuneration, October 18, 1983.

Dora Mae Hutchens, Adjunct Instructor in Occupational Therapy, without remuneration, September 29, 1983.

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Debra Hopkins, Clinical Instructor in Operative Dentistry, without remuneration, October 1, 1983.

Betty L. Adams, Adjunct Instructor in Radiologic Technology, without remuneration, July 1, 1983.

Melvin Allen, Adjunct Instructor in Radiologic Technology, without remuneration, July 1, 1983.

Linda J. Hardy, Adjunct Instructor in Radiologic Technology, without remuneration, July 1, 1983.

Christine Higby, Adjunct Instructor in Radiologic Technology, without remuneration, July 1, 1983.

Jean Rice, Adjunct Instructor in Radiologic Technology, without remuneration, July 1, 1983.

Johnny G. Roby, Preceptor in Dental Services Administration, without remuneration, October 11, 1983.

Douglas Lyons Polk, M.D., Clinical Assistant in Surgery, without remuneration, October 1, 1983.



<u>NAME and TITLE(S)</u>	<u>ANNUAL FTE INCOME</u>	<u>ANNUAL GUARANTEED BASE SALARY</u>	<u>ANNUAL PPP EARNINGS POTENTIAL</u>	<u>EFFECTIVE DATE</u>	<u>REMARKS</u>
, APPOINTMENT:					
Carlos U. Arancibia, M.D., Associate Professor of Anesthesiology	\$115,200	\$50,000		10-17-83 thru 6-30-84	
Sally Varghese, M.D., Instructor in Psychiatry and Behavioral Sciences	64,800	21,500		9-19-83 thru 12-31-83	.50 time

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CHANGES:

Donald B. Halverstadt, Clinical Professor of Urology and of Pediatrics and Vice Chair of Urology; title of Special Assistant to the President for Hospital Affairs deleted, salary changed from \$18,000 for 12 months, .25 time, to without remuneration, December 1, 1983.

Peter Kierl, Preceptor in Dental Services Administration; given additional title of Clinical Assistant Professor of Orthodontics, \$175 per month, .10 time, September 1, 1983 through December 31, 1983.

TERMINATIONS:

Russell D. Adams, Adjunct Instructor in Radiologic Technology, July 2, 1983.

Humberto Rodriguez, Assistant Professor of Pediatrics, November 16, 1983.

Randal A. Sengel, Adjunct Instructor in Psychiatry and Behavioral Sciences, September 23, 1983.

Amathul A. Shakir, Assistant Professor of Anesthesiology, November 10, 1983.

Thomas J. Taylor, Associate Professor of Radiological Sciences, November 5, 1983.

RETIREMENTS:

Robert A. Patnode, Professor and Vice Head of Microbiology and Immunology, December 31, 1983; named Professor Emeritus of Microbiology and Immunology.

Lawrence Vernon Scott, Professor of Microbiology and Immunology, December 31, 1983; named Professor Emeritus of Microbiology and Immunology.

President Banowsky recommended approval of the personnel actions listed above.

Regent Imel moved approval of the recommendation. The following voted yes on the motion: Regents White, Little, Rothbaum, McCurdy, Imel, and Sarratt. The Chair declared the motion unanimously approved.

ADMINISTRATIVE AND PROFESSIONAL PERSONNEL ACTIONS

APPOINTMENTS:

Marilyn A. Boone, Programmer Analyst, Computing Services, Health Sciences Center, \$20,700 for 12 months, October 17, 1983. Professional Staff.

Billie J. Fogarty, Staff Communications Specialist, Office of the Dean, College of Medicine, \$21,500 for 12 months, October 3, 1983. Professional Staff.

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Timothy Kay Hawes, Programmer Analyst, Computing Services, Health Sciences Center, \$20,700 for 12 months, October 17, 1983. Professional Staff.

Constance Juzwiak, Nurse Clinician, Obstetrics/Gynecology Center, Tulsa, \$24,000 for 12 months, October 17, 1983. Professional Staff.

Kathryn J. Laughlin, Research Nurse, Department of Medicine, \$22,000 for 12 months, October 1, 1983. Professional Staff.

John R. Malone, Manager, Printing Services, Graphic Services, Health Sciences Center, \$23,000 for 12 months, October 4, 1983. Managerial Staff.

Glenda G. McKinney, Nurse Clinician, Department of Obstetrics and Gynecology, Tulsa, \$24,960 for 12 months, October 3, 1983. Professional Staff.

Corlis Clay McLeod, Staff Nurse, Department of Obstetrics and Gynecology, \$22,000 for 12 months, September 19, 1983. Professional Staff.

Curtis R. Park, Senior Auditor, Internal Auditing, Health Sciences Center, \$26,000 for 12 months, October 3, 1983. Professional Staff.

CHANGES:

Judith N. Greer, title changed from Clinic Nurse Supervisor, Tulsa Ambulatory Pediatric Center, to Nurse Clinician, Department of Obstetrics and Gynecology, Tulsa, salary increased from \$19,700 to \$24,000 for 12 months, November 1, 1983. Professional Staff.

Tonya L. Keith, title changed from Clinic Manager, University Family Medicine Clinic-North and Interim Clinic Manager, University Family Medicine Clinic-Central, to Senior Clinic Manager, Department of Family Medicine, July 1, 1982. Managerial Staff.

James A. Lippert, title changed from Associate Director to Interim Director of Personnel Services, Health Sciences Center, salary temporarily increased from \$33,000 to \$38,500 while serving as Interim Director, October 17, 1983. Temporarily changed to Administrative Officer.

Byron B. Millsap, title changed from Senior Auditor, Internal Audit, to Assistant Controller, Service Unit Accounting, Health Sciences Center, salary increased from \$26,000 to \$30,000 for 12 months, October 1, 1983. Changed from Professional to Administrative Staff.

Shirley M. Ratcliff, Clinic Manager, Family Practice Center, Tulsa, salary increased from \$22,000 to \$27,500 for 12 months, October 1, 1983.

Neala J. (Dodie) Thompson, Research Nurse, Department of Medicine, salary increased from \$21,000 to \$22,000 for 12 months, October 1, 1983. Professional Staff.

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TERMINATIONS:

Gerald Butler, Manager, Printing Services, Health Sciences Center, October 24, 1983.

Mary LoRain Hiatt, Nurse Clinician, Department of Obstetrics and Gynecology, Tulsa, September 16, 1983.

Brenda N. Jaye, Nurse Coordinator, Department of Medicine, September 17, 1983.

Robert Lee Motley, Programmer/Analyst, Computing Services, Health Sciences Center, October 16, 1983.

Marcia R. Smith, Coordinator, Gerontology Center, October 1, 1983.

Pedro Vargas, Dental Lab Technician, Senior Ceramist, College of Dentistry, October 8, 1983.

RETIREMENTS:

Frank L. Rose, Jr., Director of Personnel Services, Health Sciences Center, December 1, 1983.

Norman E. Goodwin, Director of Student Affairs and Registrar, Health Sciences Center, and Assistant Professor of Allied Health, December 31, 1983. Vacation pay through February 14, 1984.

President Banowsky recommended approval of the personnel actions listed above.

Regent McCurdy moved approval of the recommendation. The following voted yes on the motion: Regents White, Little, Rothbaum, McCurdy, Imel, and Sarratt. The Chair declared the motion unanimously approved.

STUDENT ACTIVITY FEE ALLOCATION

Information on the proposed college student council budgets for the fiscal year 1983-84 for the Oklahoma City and Tulsa campuses was distributed to the Regents. The budgets are presented in Exhibit A attached to these minutes.

President Banowsky recommended approval of the allocation of the student activity fees for 1983-84 to the individual student government groups as shown and approval in principle of the expenditures.

Regent Imel moved approval of the recommendation. The following voted yes on the motion: Regents White, Little, Rothbaum, McCurdy, Imel, and Sarratt. The Chair declared the motion unanimously approved.

## FINANCIAL EMERGENCY POLICY

An ad hoc Joint Faculty Senate-Administration Committee at the Health Sciences Center has reviewed the Financial Emergency Policy for that campus and proposed amendments. The amendments have been approved by the Faculty Senate and by the Provost.

The Financial Emergency Policy for the Health Sciences Center with the added portions underlined and the portions to be deleted lined through is as follows:

~~While it is assumed that~~ The administration of the University of Oklahoma has a continuing responsibility for maintaining a sound budget and it is assumed that, through responsible financial management and appropriate retrenchment policies, all approaches for averting a financial crisis will be utilized. It is possible, however, that a financial emergency might occur. The following statement outlines ~~the policies and procedures for such an eventuality with the prescribed actions to take place within the guidelines for operation set forth by the University.~~

~~The Board of Regents has ultimate responsibility for the financial integrity of the University. Decisions resulting from these policies and procedures are subject to the approval of the Board of Regents who may take into consideration such factors as they deem appropriate.~~

These procedures are established by action of the University Board of Regents and will be implemented as University Policy. While ultimate authority for financial integrity of the University resides with the Board of Regents, it is expected that suspension or modification of all or part of these procedures may occur only under extraordinary circumstances and after reasonable faculty input.

## Definitions

A financial emergency is an imminent fiscal crisis that threatens the programs of the Health Sciences Center. A state of financial emergency shall be declared whenever the Education and General Part I budget allocation to the agency necessitates reductions in faculty or staff or reductions in operational budgets that would seriously erode program quality.

The University of Oklahoma Health Sciences Center constitutes a single budgetary agency which includes the Tulsa Medical College. While the financial emergency policy developed for the Health Sciences Center will apply with equal force to the Tulsa Medical College, certain unique budgetary and programmatic differences require some differences in procedure.

## Procedure

## Phase I

The President shall decide and declare when any agency of the University is in a state of financial emergency. In response to the declaration, the Provost shall prepare a general plan to relieve the emergency condition. This general plan shall not identify specific faculty or personnel for termination of employment but shall review the financial status of the Health Sciences Center and identify general areas in which reductions are proposed. The plan shall be submitted for advisory review to the Health Sciences Center deans on the Health Sciences Center Campus and to a Review Committee, consisting of a representative group of faculty, staff, and students.

The Committee that shall review the general plan for the Health Sciences Center shall consist of six faculty members; one representing each of the six colleges on the campus; appointed by the Provost from a list of twelve names submitted by the Health Sciences Center Faculty Senate; the Chair of the Health Sciences Center Employee Liaison Council; the Health Sciences Center Affirmative Action Officer who shall serve ex-officio without vote; and the Provost and/or his/her designate(s) who shall serve ex-officio without vote.

I. Review Committee

The Review Committee will be formed to evaluate the general plan. The general plan shall be reviewed. The Provost will convene the Review Committee and charge it to review the general plan with regard to the principle that every reduction must have an effect substantially less detrimental to the institution's ability to fulfill its mission than would other forms of budgetary curtailment available to the Health Sciences Center. The members of the Committee shall elect a chair. The Review Committee will elect a chair from among its voting members and determine its rules of procedure.

The dean(s) of college(s) which might be directly affected will be given the opportunity to appear before the Review Committee and to present written statements and documents. This opportunity also may be extended to other faculty and administrators. The Review Committee may call any University personnel who might have pertinent information or advice.

The Review Committee, within six weeks of the time it receives its charge will submit a final report to the Provost which summarizes all pertinent information and all written documents will be attached. In addition, the report will include findings of fact and recommendations and the rationale underlying the recommendations. Items of disagreement between the Review Committee and the Provost shall be resolved by the President. Final approval of the general plan will be by the President and the Board of Regents.

Committee CompositionOklahoma City Campus

The committee that shall review the general plan for the Oklahoma City Campus of the Health Sciences Center shall be composed of:

1. Six faculty members, one representing each of the six colleges on the campus, appointed by the Provost from a list of twelve ~~names~~ nominees submitted by the Health Sciences Center Faculty Senate.
2. The Chair of the Health Sciences Center Employee Liaison Council.
3. The Health Sciences Center Affirmative Action Officer who shall serve ex officio without vote.
4. The Provost ~~and/or~~ or his/her ~~designate(s)~~ designee who shall serve ex officio without vote.
5. One or two students, depending on whether or not both undergraduate and graduate programs are involved, will be appointed. The student(s) will be appointed by the Provost from a list of four nominees submitted by the appropriate student organization(s) in the affected college(s).

Tulsa Campus

The University of Oklahoma Health Sciences Center constitutes a single budgetary agency which includes the Tulsa Medical College. While the financial emergency policy developed for the Health Sciences Center will apply with equal force to the Tulsa Medical College, certain unique budgetary and programmatic differences require some differences in procedure.

The Committee that shall review the general plan for the Tulsa Medical College shall be composed of:

1. Six faculty members appointed by the Provost from a list of twelve ~~names~~ nominees elected by the Faculty ~~at Tulsa of the Tulsa Medical College~~ acting as a committee of the whole; no more than three selected shall be Department Chair No more than three members selected will hold administrative appointments.
2. The ~~Tulsa Staff Tulsa Medical College~~ representative to the Employees Liaison Council ~~(Oklahoma City)~~.

3. The Health Sciences Center Affirmative Action Officer who shall serve ex officio without vote.
4. The Provost or and/or his/her designate designee who shall serve ex officio without vote.

The members of the Committee shall elect a Chair. (Remainder of policy same as Health Sciences Center (Oklahoma City).)

## II. Program Discontinuance

In the event that program discontinuance is proposed, the Review Committee will be convened by its chair to review and evaluate all matters relating to the proposed discontinuance and to make recommendations.

The dean of the affected college and all faculty members of the affected department will be given the opportunity to appear before the Review Committee and to present written statements and documents. This opportunity also may be extended to the faculty and administration of programs that might be indirectly affected. The Review Committee may call upon any University personnel who might have pertinent information or advice.

Prior to completing its deliberations, the Review Committee will conduct an open hearing. At the hearing, oral and written comments from all interested persons will be accepted.

The Review Committee will submit a final report to the Provost within one month of the time it is charged by the Provost to review discontinuance of a program. This report will summarize all pertinent information and all written documents will be attached. In addition, the report will contain the Committee's findings of fact and recommendations and the rationale underlying its findings and recommendations.

The Provost will distribute copies of the report to the dean of the affected college and to all directly affected faculty members. Copies of the report also will be made available to other faculty, staff members and students upon request.

Any person may submit a written response to the Review Committee's report within ten days following its distribution. The Committee may modify its report after considering this material. Any modification must be forwarded to the Provost within ten days following the distribution of the report.

After reviewing all relevant information, the Provost will forward his or her recommendation to the President. The report of the Review Committee, together with all attachments, also will be forwarded to the President. Copies of the Provost's recommendation will be distributed to the dean of the affected college and all directly affected faculty members. Items of disagreement between the Review Committee and the Provost will be resolved by the President. Final approval of the report will be by the President and the Board of Regents.



## Procedure

### Phase II

#### III. Terminations

##### A. Faculty

If, after consideration of all possible ways of reducing expenditures, the general plan approved by the President necessitates the termination of faculty or staff, either selectively or as a result of program discontinuance, the dean of each college in consultation with the faculty of that college shall develop a specific plan for terminating employment of faculty in that college which shall be transmitted to the Provost. The Provost, in consultation with the deans, shall review the individual college plans and develop the overall plan for termination of faculty employment for the Health Sciences Center. ~~In the event that program discontinuance is proposed, the Guidelines for Comparative Program Evaluation and Program Discontinuance shall be followed. The Provost shall meet with the faculty of the affected academic unit to hear faculty recommendations prior to making a final recommendation.~~ Every termination of faculty employment must be justified on the basis that it will have an effect substantially less detrimental to the institution's ability to fulfill its mission than would other terminations.

The plan for the termination of faculty employment shall be submitted to the Review Committee which shall be composed of the same members of the representative group previously described; except that the representative of the Employee Liaison Council shall no longer serve. The members of the committee will elect a chair.

The Review Committee shall make recommendations to the Provost and the Health Sciences Center deans. When there are unresolved differences, all recommendations shall be submitted to the President.

##### Guidelines for Termination of Faculty Employment

The plan for terminating faculty employment shall be in accordance with the following guidelines:

1. To the extent possible, alternatives other than termination of employment should be explored. Examples of such alternatives are early retirement, fractional appointments and reduction of salaries, including annual base salary.
2. Unless a substantial and serious imbalance in the quality within a given program would result:
  - a. Employment of untenured faculty should be terminated before that of tenured faculty.

- b- ~~Seniority should be respected-~~
  - e- ~~Affirmative Action guidelines should be observed-~~
  - b. Performance, promise, seniority and affirmative action guidelines should be considered in decisions concerning termination of untenured faculty.
  - c. Equitable reinstatement procedures should be established if the program is reinstated.
3. Where termination of employment is required:
- a. Where termination of employment of faculty with term or consecutive term appointments is required, procedures in regard to non-reappointment stated in the Faculty Handbook (See Section 3.5.7) should be observed, if possible. All notifications of non-reappointment shall be given in writing by the Provost.
  - b. Employment in some other part of the University should be offered where possible- Tenured faculty must be notified by the President of termination by May 31 of the year preceding the final year of appointment and at least 12 months before the end of the appointment period. The dismissal of tenured faculty must be approved by the Board of Regents (See Faculty Handbook Section 3.11).
4. Where employment of a tenured faculty member has been terminated or where he/she has accepted alternate employment with the University, the faculty member has a three-year priority to return to his/her original position or be employed in another position for which he/she is qualified. Qualification for employment in another position within the University shall be determined by the head of the academic unit with a position vacancy. Within the three-year period someone else shall not be employed to fill the faculty member's position or any other position for which the faculty member is qualified until the faculty member has been offered reinstatement or re-employment and has been given fourteen (14) days a reasonable time (not to exceed 45 days) within which to accept. It is the responsibility of the faculty member to keep the University informed of his/her address and availability for re-employment. The right of a faculty member to be employed in another position is subject, in accordance with paragraph 2. a-c, to the rights of other faculty members who have also been terminated or transferred.

A faculty member whose salary or FTE has been reduced shall have the same priority for restoration of his/her former status as the faculty member, described above, whose employment has been terminated.

5. Each faculty member whose employment has been terminated has the right to have his/her termination of employment reviewed by the Faculty Appeals Board to determine if these guidelines have been followed, but the circumstances of the financial emergency shall not be reviewed.

B. Student

If a program is discontinued, students in the program shall be notified and every effort shall be made to allow them to finish their program. ~~(If financial emergency leads to program discontinuance, the Guidelines for Program Discontinuance shall apply)~~ If it is not possible for students to complete their respective programs, the University may be obliged to make special allowances for such students. Special allowances might include, but not be limited to, the following: permitting the student to complete his/her program by taking work in related departments; accepting more than the usual number of transfer hours; and accepting major work taken by correspondence from the University or other schools.

C. Staff

If the general plan approved by the President entails the termination of employment of staff, the Provost, in consultation with the Health Sciences Center deans and the Directors of Health Sciences Center service areas, and representative(s) of the Employees Liaison Council, shall suggest a more specific plan for termination of staff employment. Staff terminations will be handled in a manner which is consistent with the current Policy and Procedures for Reduction of Work Force at the University of Oklahoma.

~~At all times, Guidelines for Termination of Employment as established shall be followed for each affected individual, and the Director of Personnel Services shall coordinate actions with the Health Sciences Center Affirmative Action Officer.~~

~~Should it become necessary to terminate staff employment for reasons of financial emergency, the following shall be considered:~~

- ~~1- Unless a substantial and serious imbalance in the quality of services provided would result, seniority should be respected to the extent possible.~~
- ~~2- To the extent possible, alternatives other than termination of employment should be considered.~~

- a- Alternate employment in the University should be offered whenever possible. Staff accepting alternate employment should not lose their priority to return to their original position within a three-year period as long as the staff member maintains an active file in the Office of Personnel Services.
  - b- Staff who have been transferred or whose employment has been terminated should be given priority when the University subsequently adds positions for which they are qualified within a three-year period as long as the staff member maintains an active file in the Office of Personnel Services.
- 3- Termination of employment should be made in such a way as to assure compliance with the University's Affirmative Action guidelines.
  - 4- Each Staff member whose employment has been terminated has the right to appeal his/her case through the regular Grievance Procedures as outlined in the University's Staff Handbook, but the circumstances of the financial emergency shall not be reviewed.

President Banowsky recommended approval of the Financial Emergency Policy as shown to be effective immediately.

Regent Rothbaum moved approval of the recommendation. The following voted yes on the motion: Regents White, Little, Rothbaum, McCurdy, Imel, and Sarratt. The Chair declared the motion unanimously approved.

#### PROGRAM DISCONTINUANCE POLICY

An ad hoc Joint Faculty Senate-Administration Committee at the Health Sciences Center has reviewed the Program Discontinuance Policy for that campus and proposed amendments. The amendments have been approved by the Faculty Senate and by the Provost.

The Program Discontinuance Policy for the Health Sciences Center with the added portions underlined and the portions to be deleted lined through is as follows:

#### Introduction

~~The appearance of a document on program discontinuance is bound to raise fears, or at least a freed speculation, that a significant number of programs are in imminent danger of being cut. In fact, it is precisely because program discontinuance is not a matter of immediate urgency that the~~

~~present-time-is-specially-propitious-for-addressing-the-problem.--Members-of-the-University-community-would-be-understandably-suspicious-of-a-document-that-seemed-out-to-the-measure-of-some-temporary-and-parochial-need.--The-present-document-is-intended-to-reflect-the-broad,-long-term-needs-and-goals-of-the-University.~~

The success of any university in a free society rests in a large measure on the degree to which it is responsive to the needs of its students and the citizens who provide the financial support to sustain it. Responsiveness is an essential element of the fabric of a successful university. It does not assure excellence, but its absence assures failure.

Because of changes in the needs of society and the rapidity with which new knowledge is accumulated and disseminated, the relevance ~~and emphasis~~ of academic programs must be constantly reviewed. This does not suggest, however, that there are no other meaningful dimensions to the purposes of a university. A university also serves as a repository of knowledge, societal traditions, and cultural heritage and some programs may have a more direct relevance than others.

Viewed in this light, the evaluation of programs on the Health Sciences Center campus ~~in accordance with required accreditation time periods~~ is a positive approach to help ensure that the University programs are responsive to the needs of society, the students, and the ~~long-term~~ goals of the University.

The discontinuance of a program is the legitimate concern of the students, faculty and administration of the University. The purpose of this policy is to establish procedure which provides an opportunity for input from all interested groups prior to a final decision by the Board of Regents.

~~Establishing-the-review-process-ahead-of-time,-rather-than-reaching-in-haste-after-the-problem-has-developed,-is-of-considerable-merit.~~

While these procedures are established by action of the University Board of Regents and will be implemented as University policy, extraordinary circumstances might arise in which the Board of Regents feels compelled to suspend these procedures after obtaining reasonable faculty input.

#### I. Program

The term "program" as used in this document ordinarily refers to a college, department or degree program established by the Regents. The discontinuance of a program need not entail the elimination of a degree program or the dismissal of certain faculty members. ~~Both of these consequences may follow from the discontinuance of a program, but they need not in every case.~~

#### II. Criteria for Discontinuance ~~evaluating a program~~

Criteria for determining whether a program should be discontinued ought to place the greatest emphasis on ~~maintaining the quality of the total~~

continuing-University-program- meeting the goals and objectives of the University. This requires a judicious assessment of the program. A formula which addresses all contingencies cannot be established.

Many factors are pertinent when evaluating a program's contribution to the overall mission of the University. Among these factors are quality, cost effectiveness, current and projected demands for the program and societal needs. When program discontinuance is based on financial emergency, the Financial Emergency policy shall apply.

The following questions raised in accreditation documents and review reports should guide in deliberations of those responsible for reviewing programs:

- (1) How good is the program?
- (2) How essential is the program?
- (3) What is the demand for the program?
- (4) What would the savings be if the program were discontinued or reduced in size?
- (5) What would be the effect of phasing out the program?
- (6) What are the future prospects of the program?

A more detailed list of questions to be used in evaluating a program will be found in the Guidelines for Comparative Program Evaluation.

It is not intended that a decision be based solely on any mathematical ratio of "good" or "bad" answers to any questions. The questions are intended to focus attention on important considerations. They do not obviate the need for good sense and a judicious assessment of the overall situation.

### III. Procedure

#### A. Initial Steps

When the question of possible possibility of program discontinuance is raised, the Provost will forthwith confer immediately with the appropriate dean(s) of the affected college and the chairperson(s) of the affected department. regarding the designation of possible program(s) involved. Based upon these consultations and the prima facie circumstances, (t) The Provost will make a preliminary determination, based on all available information, regarding the discontinuance. The appropriateness and the feasibility of the suggested discontinuance. The Provost will either terminate the considerations at this point or proceed in accordance with the following guidelines. In the event of a financial emergency, the O.U. Health Sciences Center Financial Emergency Policy will be the guideline. In the event the Provost decides not to proceed,

the matter will be reported to the President and the Board of Regents prior to any announcement. If the Provost decides to proceed, he/she will do so in accordance with the following procedure:

B. Ad Hoc Committee for Evaluation and Recommendations

~~If, after consulting with the appropriate dean(s) and chairpersons, the Provost decides to proceed with the program that discontinuance, may be appropriate, he/she will appoint an ad hoc committee will be formed to evaluate all information to study the evidence and to make recommendations. The composition of the ad hoc committee will be composed as follows: there shall be at least six faculty members. Four of the six faculty members will be appointed from a list of eight nominated by the Faculty Senate. Nominees shall be non-administrative faculty with the exception of the administrator of the affected college(s), who may be nominated. At least two of the nominees shall be from faculty within the affected college(s). The Provost shall appoint two faculty members, these two may be administrative or non-administrative appointees.~~

1. Four committee members, including two from the affected college, will be appointed by the Provost from a list of eight nominees submitted by the Faculty Senate. Four of these eight nominees will be selected from a list of eight persons submitted by the governing body of the affected college. Nominees will hold non-administrative appointments except for the dean of the affected college, who may be nominated. The affected college(s) shall be asked by the Senate to submit names for the list of nominees.
2. Two faculty members, appointed by the Provost, who may hold administrative or non-administrative appointments.
3. One or two students, depending on whether or not both undergraduate and graduate programs are involved, in the affected college(s) shall will be appointed. The student(s) will be appointed by the Provost from a list of four nominees submitted by the appropriate student organization(s) in the affected college(s).

C. Proceedings of the Ad Hoc Committee

The Provost will convene the ad hoc Committee and charge it to review and evaluate all matters relating to the proposed discontinuance and to make recommendations. The members of the ad hoc committee will elect a chair from among its members and determine its rules of procedure. The dean of the affected college and all faculty members of the affected department will be given the opportunity to appear before the ad hoc Committee and to present written statements and documents. This opportunity also will be extended to the faculty and

administration of programs that might be indirectly affected by the discontinuance. The Committee will have access to all University personnel who might have pertinent information or advice.

~~The ad hoc committee shall have access to and may seek advice from the Health Sciences Center Academic Program Council, the Chair of the Health Sciences Center Employee Liaison Council, the Health Sciences Center Affirmative Action Officer, the Provost or his/her designate, and the committee reviewing the Financial Emergency Policy.~~

~~It is crucial that all persons connected with or affected by the program(s) being considered for elimination be kept fully informed (normally through the offices of the chair(s)) at each stage of the review process, both as a matter of courtesy and to seek information from those most closely related to and most knowledgeable about the program(s). Every affected faculty member should be given the opportunity to bring any facts or considerations that he/she believes to be pertinent to the attention of the ad hoc committee, and appropriate procedures should be provided to encourage these inputs, either by appearance before the Committee or by alternate procedures. It is also important that the faculty and administrations of closely allied programs that may be affected by any changes in the specific program(s) being considered be kept fully informed of the progress of the review.~~

#### D. Open Hearing

The Provost will conduct an open hearing before the ad hoc Committee completes its deliberations. At the hearing, the ad hoc Committee and the Provost will accept both oral and written comments from all interested persons.

#### E. Review Report of the Ad Hoc Committee Report

~~The Committee is charged to complete its evaluation and to make a final report to the Provost.~~

The ad hoc Committee will submit a final report to the Provost within two months of its initial meeting. This report will summarize all pertinent information and all written documents will be attached. In addition, the report will contain the ad hoc Committee's findings of fact and recommendations and the rationale underlying its findings and recommendations.

The Provost will provide distribute copies of the report to the dean(s) of the affected college and chair(s) and also ensure that provision is made so that copies are accessible to the faculty members who may be affected by the recommendations of the report, to all directly affected faculty members. Copies of the report also will be made available to other faculty, staff members and students upon request.



Any person may submit a written response to the ad hoc Committee report within two weeks following its distribution. The Committee may modify its report after considering this material. Any modification must be forwarded to the Provost within one month following the distribution of the report.

~~Following the dissemination of the Committee report and recommendations, the Provost will arrange for an open discussion and hearing regarding any recommendations for or against discontinuance of any program(s). The dean(s), Chair(s), and the faculty unit(s) and individual faculty members of the program(s) involved will be invited to submit written commentaries and recommendations at the time of this general hearing. The ad hoc committee will be present at the hearing. The Committee will review all available written commentaries submitted at this general hearing. The ad hoc committee will provide, within one month following the open hearing, an addendum to their report to the Provost. The addendum will be based upon a review of the written, submitted commentaries and presentations offered during the open hearing.~~

#### B. Decisions

#### F. Decision of the Provost

~~After reviewing all available information and weighing the considerations and recommendations presented in the public hearing and in the various written commentaries and reports, the Provost will forward formulate and send his/her recommendation to the President, along with copies of all of the other commentaries/reports received and a summary of any additional recommendations that were made in the open hearing. The report of the ad hoc Committee, together with all attachments, also will be forwarded to the President. Copies of the report from the Provost's recommendation to the President shall will be sent distributed to the college(s), dean(s), and department(s) of the affected college and all directly affected faculty members.~~

#### G. Decision of the President

~~After reviewing all available information, the President will forward his/her recommendation to the Board of Regents for final action. The Provost's recommendation and the report of the ad hoc Committee also will be forwarded to the Regents. Copies of the President's recommendation will be distributed to the Provost, dean of the affected college and all directly affected faculty members.~~

~~The President will then prepare and submit his/her recommendations to the Regents for final action. Copies of the report from the President to the Regents shall be sent to the Provost, college(s) and dean(s).~~

### IV. Terminations and Personnel alternatives

#### A. Faculty

~~If a decision is made to discontinue a program(s), the dean(s), chair(s), and every affected faculty member shall be apprised in writing of that decision~~

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~~and, insofar as possible, of its probable effect on him/her. When personnel actions are involved, the University will be guided by the following considerations:~~ program, the Provost will notify each directly affected faculty member, in writing, of the probable effect of the discontinuance on his/her employment.

Where termination of employment of faculty with term or consecutive term appointments is required, notification provisions in the Faculty Handbook (See Section 3.5.7) shall apply. All notifications of non-reappointment shall be given in writing by the Provost.

Tenured faculty must be notified by the President of termination by May 31 of the year preceding the final year of appointment and at least 12 months before the end of their appointment period. The dismissal of tenured faculty must be approved by the Board of Regents (See Faculty Handbook Section 3.11).

If notification practices are not fulfilled, the faculty member may appeal to the Faculty Appeals Board.

Plans will be developed in accordance with the following guidelines:

1. The University will make every reasonable effort to eliminate the need for terminating faculty, including transfers to other programs when there are vacancies for which they are qualified. Eligibility for employment in other University programs shall be determined by the head of the academic unit with a position vacancy.

A. 2. Tenure and seniority will be respected as priority conditions if alternative employment opportunities exist for which the individual is the best qualified candidate.

3. Employment of untenured faculty should be terminated before that of tenured faculty.

4. Performance, potential, seniority and affirmative action guidelines should be considered in decisions concerning termination of untenured faculty.

5. Equitable reinstatement procedures should be established if the program is reinstated.

~~B. Adequate advance notice should be given prior to termination as stipulated in the University of Oklahoma Health Sciences Center Faculty Handbook.~~

~~C. Adequate allowance should be made for affirmative action matters.~~

~~D. Equitable reinstatement procedures should be established if the program is reinstated.~~

~~Faculty members who may be adversely affected by the decision may avail themselves of the appeal procedures currently approved for the Health Sciences Center Campus. When program discontinuance is due to Financial Emergency refer to the guidelines for "Termination of faculty employment" in the O.U. Health Sciences Center Financial Emergency Policy.~~

V. B. Students alternatives

If a decision is made to discontinue a program(s), the students in the program shall be notified by the Provost and every effort shall be made to allow them to finish their programs within a reasonable length of time. If it is not possible for students to complete their program, the University will make every reasonable effort to facilitate their transfers to other programs or institutions. ~~may be obliged to make special allowances for such students. Such allowances might include, but not be limited to, the following: permitting the student to complete his/her program by taking work in related departments; accepting more than the usual number of transfer hours; and accepting major work taken by correspondence from the University of Oklahoma and other schools.~~

VI. C. Staff alternatives

The current Policies and Procedures for Reduction of Workforce at the University of Oklahoma will be followed in case of a reduction of staff.

~~If the program discontinuance is due to financial emergency and requires termination of staff employment, the guidelines to "Termination of staff employment" in the O.U. Health Sciences Center Financial Emergency Policy shall be followed.~~

~~At all times, guidelines for termination of employment as established shall be followed for each affected individual, and the Director of Personnel Services shall coordinate actions with Provost, Deans and Health Sciences Center Affirmative Action Officer.~~

President Banowsky recommended approval of the Program Discontinuance Policy as shown to be effective immediately.

Regent McCurdy moved approval of the recommendation. The following voted yes on the motion: Regents White, Little, Rothbaum, McCurdy, Imel, and Sarratt. The Chair declared the motion unanimously approved.

PROPOSAL, CONTRACT, AND GRANT REPORT

A summary of proposals for contracts and grants for the Health Sciences Center, including the Tulsa Medical College branch, for October, 1983 was included in the agenda for this meeting. A list of all contracts executed during the same period of time on proposals previously reported was also included.

President Banowsky recommended that the President of the University or the President's designees be authorized to execute contracts on the pending proposals as negotiations are completed. The contract budgets may differ from the proposed amounts depending on these negotiations.

Regent Imel moved approval of the recommendation. The following voted yes on the motion: Regents White, Little, Rothbaum, McCurdy, Imel, and Sarratt. The Chair declared the motion unanimously approved.

#### COMPLETED CONSTRUCTION PROJECTS

Contractors have completed work on the following Health Sciences Center projects:

1. College of Health Building Renovation, Phase II - In accordance with the terms of the construction contract, representatives of Lawrence, Lawrence and Flesher, the project architects; Wynn Construction Company, Inc., the contractor; and The University of Oklahoma have completed a final inspection of this renovation project. The cost of this work was \$1,535,704. A copy of the final punch list of incomplete items was provided to the contractor. The staff of Architectural and Engineering Services has reviewed the results of the inspection and recommends that the project be accepted subject to the completion of all punch list items.
2. Energy Conservation Measures, Biomedical Sciences Building - In accordance with the terms of the construction contract, representatives of Collins-Soter Engineering, Inc., the project engineers; Commercial Mechanical, Inc., the contractor; and The University of Oklahoma have completed a final inspection of the project. The construction cost of this project was \$362,244. A punch list of incomplete items was provided to the contractor. The staff of Architectural and Engineering Services has reviewed the results of the inspection and recommends that the project be accepted subject to the completion of all punch list items.
3. Steam and Chilled Water System Expansion, Phase V, Part III, Project 1, Energy Retrofit - In accordance with the terms of the construction contract, representatives of Frankfurt-Short-Bruza, the project engineers; Kay Engineering Company, the contractor; and The University of Oklahoma have completed a final inspection of this project. The construction cost of this work was \$189,300. A punch list of incomplete items was provided to the contractor. The staff of Architectural and Engineering Services has reviewed the results of the inspection and recommends that the project be accepted subject to the completion of all punch list items.

President Banowsky recommended that subject to the completion of all punch list items the Board of Regents accept as substantially complete and authorize final payments to the contractors for work on the following projects:

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(1) College of Health Building Renovation, Phase II; (2) Energy Conservation Measures, Biomedical Sciences Building; and (3) Steam and Chilled Water System Expansion, Phase V, Part III, Project 1, Energy Retrofit.

Regent Imel moved approval of the recommendation. The following voted yes on the motion: Regents White, Little, Rothbaum, McCurdy, Imel, and Sarratt. The Chair declared the motion unanimously approved.

#### REPORT ON MAJOR CAPITAL IMPROVEMENT PROJECTS

As shown on the following page, a report was presented to the Regents on major capital improvement projects now under construction and in various stages of planning on the Oklahoma City campus. No action was required.

#### III. Norman Campus

##### FACULTY PERSONNEL ACTIONS

##### APPOINTMENTS:

Gary David Miller, reappointed Assistant Professor of Civil Engineering and Environmental Science, rate of \$30,240 for 12 months, October 1, 1983 through January 31, 1984. Paid from grant funds.

Edward W. Blessing, Visiting Instructor in Finance, \$3,000 for 4½ months, .25 time, September 1, 1983 through January 15, 1984.

Glenn Bruce Lesins, Postdoctoral Fellow, CIMMS, \$23,000 for 12 months, November 15, 1983 through November 14, 1984. Paid from grant funds.

##### CHANGES:

Alistaire Callender, title changed from Graduate Research Assistant to Research Associate, School of Civil Engineering and Environmental Science, salary changed from \$7,200 for 12 months, .50 time, to \$19,200 for 12 months, .80 time, October 1, 1983, 30% of appointment terminates on December 31, 1983, 50% on May 31, 1984. Paid from grant funds.

Ronald Dale Evans, Professor of Petroleum and Geological Engineering; appointed Curtis W. Mewbourne Professor of Petroleum Engineering, salary increased from \$44,000 to \$50,000 for 9 months, September 1, 1983.

Barbara Laquer, Program Specialist, Public Responsibility and Community Affairs; given additional title of Adjunct Instructor in Education, January 1, 1984 through May 31, 1984.

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Ananth Sundararajan, reappointed Postdoctoral Fellow, Cooperative Institute for Mesoscale Meteorological Studies, salary changed from \$29,568 for 12 months to rate of \$14,784 for 12 months, .50 time, October 1, 1983 through April 26, 1984. Paid from grant funds.

RESIGNATIONS:

Jane Birkhead, Director, Opera/Music Theater, School of Music, January 1, 1984.

Jeffrey L. Brudney, Assistant Professor of Political Science, January 16, 1984.

RETIREMENT:

Roy R. Male, David Ross Boyd Professor of English, December 31, 1983; named David Ross Boyd Professor Emeritus of English.

TENURE:

President Banowsky recommended that academic tenure for Gaye L. McNutt, Assistant Professor of Education, be denied.

President Banowsky recommended approval of the personnel actions listed above.

Regent Imel moved approval of the recommendation. The following voted yes on the motion: Regents White, Little, Rothbaum, McCurdy, Imel, and Sarratt. The Chair declared the motion unanimously approved.

President Banowsky reported the death of the following faculty member:

Paul V. Keen, Professor Emeritus of Physical Education, on October 12, 1983.

TERMINATION OF DEGREE IN NUCLEAR ENGINEERING

The faculty of the School of Aerospace, Mechanical and Nuclear Engineering have proposed that the Bachelor of Science degree in Nuclear Engineering be terminated. In its place, elective courses would continue to be given to permit undergraduate students to incorporate a significant nuclear engineering component within their primary curriculum requirements. AMNE would continue to offer the Master of Science degree and maintain the nuclear reactor and associated laboratories as integral components of the Nuclear Engineering program at the University. The intent is to focus on building a stronger graduate program in Nuclear Engineering.

The proposal has been endorsed by the Academic Program Council, the Dean, and the Provost.

PROJECTS UNDER CONSTRUCTION

Project	Architects or Engineers	Contractors	Contract Award Date	Original Adjusted Completion Date	Original Current Contract Amount	Status Percent Complete	Source of Funds
Steam and Chilled Water System Expansion, Phase V, Part II, Project 3	Frankfurt-Short-Bruza	Kay Engineering Company	04/16/81	01/05/82 07/01/83	\$2,832,447 \$2,847,008	99%	Revenue Bond Funds.
Energy Conservation Measures, Biomedical Sciences Building	Collins-Soter Engineering, Inc.	Commercial Mechanical, Inc.	09/17/81	06/13/82 07/15/83	\$ 362,244	100%	Department of Energy Grant and Section 13 Funds.
College of Health Building Renovation, Phase II.	Lawrence, Lawrence and Flesher	Wynn Construction Co. Inc.	06/10/82	04/27/83 08/15/83	\$1,396,100 \$1,535,704	100%	State Building Funds.
College of Health Building Renovation, Phase II, Windows	Lawrence, Lawrence and Flesher	ABCO, Inc.	11/11/82	07/15/83	\$ 164,355 \$ 170,819	97%	State Building Funds.
Steam and Chilled Water System Expansion, Phase V, Part III, Project 1, Energy Retrofit	Frankfurt-Short-Bruza	Kay Engineering Co.	07/22/82	12/24/82 09/01/83	\$ 189,300	100%	Revenue Bond Funds.

PROJECTS IN VARIOUS STAGES OF PLANNING

Project	CMP Priority Number	Architects or Engineers	Contract or Letter	Estimated Cost	Status
Health Sciences Library Equipment	NC 1B	Architectural and Engineering Services, OUHSC	---	\$ 411,381	Inactive.
Physical Fitness Center	--	Coleman, Ervin & Associates	09/11/80	\$3,000,000	Inactive.
Steam and Chilled Water System Expansion, Phase V	--	Frankfurt-Short-Bruza	11/30/79	\$4,700,000	Construction has been completed on major portions of this project and is underway on other elements.
Steam and Chilled Water System Expansion, Phase V, Part III, Project I, Energy Conservation	--	Frankfurt-Short-Bruza	11/30/79	\$ 400,000	Part of this project is under construction.
Family Medicine Building, Phase I	NC 2	Architectural and Engineering Services, OUHSC	---	\$ 850,000	Preliminary studies are underway.

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President Banowsky recommended approval of terminating the Bachelor of Science degree in Nuclear Engineering and forwarding this recommendation to the Oklahoma State Regents for Higher Education.

Regent McCurdy moved approval of the recommendation. The following voted yes on the motion: Regents White, Little, Rothbaum, McCurdy, Imel, and Sarratt. The Chair declared the motion unanimously approved.

#### ADMINISTRATIVE AND PROFESSIONAL PERSONNEL ACTIONS

##### APPOINTMENT:

\*Deborah Fairchild, reappointed Environmental Scientist, School of Civil Engineering and Environmental Science, rate of \$23,520 for 12 months, November 1, 1983 through February 28, 1984.

##### CHANGES:

\*Josefa Gal-Chen, Computer Software Research Specialist, Cooperative Institute for Mesoscale Meteorological Studies, salary increased from \$10,800 to \$11,400 for 12 months, .50 time, July 1, 1983 through June 30, 1984.

\*Gary Michael Kramer, title changed from Program Specialist, Southwest Center for Human Relations and Public Responsibility and Community Affairs, to Program Development Specialist, Tulsa Continuing Education Office, Gerontology Training Program and Southwest Center for Human Relations, salary increased from \$20,000 to rate of \$22,000 for 12 months, September 15, 1983 through June 30, 1984. 90% of salary paid from grant funds.

##### RESIGNATIONS:

Paul J. Bennett, Senior Course Moderator and Adjunct Instructor in Political Science, FAA Management Training School, November 28, 1983.

Charles Everett Bramel, Manager, Production Scheduling, Physical Plant, October 5, 1983.

Mary Ann Gunter, Manager, Housing Assignments, Housing Programs and Student Affairs, November 2, 1983.

Maurice J. Schade, Program Manager, Petroleum Safety Program, School of Civil Engineering and Environmental Science and Oklahoma Center for Continuing Education, October 24, 1983.

##### RETIREMENTS:

Marjorie E. Bradley, Administrative Assistant, Graduate College, December 31, 1983.

\*Subject to the availability of funds.



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T. E. Taber, Chief Operating Engineer, Physical Plant - Power Plant, November 1, 1983.

President Banowsky recommended approval of the personnel actions listed above.

Regent Rothbaum moved approval of the recommendation. The following voted yes on the motion: Regents White, Little, Rothbaum, McCurdy, Imel, and Sarratt. The Chair declared the motion unanimously approved.

#### GAY/LESBIAN ACTIVIST ALLIANCE APPEAL

At the October meeting of the Board of Regents, the Omnibus Appropriations Act of \$300,000 of Student Activity Fee funds for the University of Oklahoma Student Association was approved by the Board. Included in this Appropriations Bill was \$30,000 allocated for funding student organizations. The Regents have delegated to Student Congress the authority to further distribute the \$30,000 to the various student organizations for projects or programs of campus-wide interest.

At the Student Congress meeting on October 25, 1983, the Student Organizations Appropriations Act of 1983-84 was brought before Student Congress as recommended by the Ways and Means Committee. Included in this Appropriations Act was an allocation of \$18.85 for the Heterosexual Activist Alliance and an allocation of \$276.20 for the Gay/Lesbian Activist Alliance. An amendment removing these two funding items from the Appropriations Act was passed by a vote of 20 yes, 14 no, and 2 abstentions. At the November 1 meeting of Student Congress, a bill to reconsider the Appropriations Act to include funding for the H.A.A. and the G.L.A.A. was brought to the floor and defeated by a vote of 28 no, 18 yes, and 3 abstentions.

The amended Student Organizations Appropriations Act was then verified by Beth Garrett, Chair of Congress, and approved by Mark Driscoll, UOSA President.

After considering the UOSA General Counsel's opinion, both votes of the Student Congress, and the effect of a veto which would hold up the funding and therefore the services and programs of all the other student organizations, Anona Adair, Vice President for Student Affairs, signed the Student Organization Appropriations Act of 1983-84.

President Banowsky supported Vice President Adair's decision to approve the Student Congress Bill. The G.L.A.A. has appealed the President's decision, as shown in the following letter under date of November 8, 1983:

"Dear Board Members:

"We, the Gay/Lesbian Activist Alliance of the University of Oklahoma, respectfully submit for your consideration this appeal of the Student Organizations Appropriations Act of 1983-84 as passed by the University of Oklahoma Student Association Congress.

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"We hereby request that the Regents act in one of the following ways:

1. Veto the entire Student Organizations Appropriations Act, whereupon U.O.S.A. Congress would be obliged to reconsider the bill.
2. Overturn the amendment striking sections fifteen (15) and nineteen (19).
3. Reinstate funding for the Gay/Lesbian Activist Alliance, as provided for in the Student Organizations Appropriations Act recommended by the Ways and Means Committee of U.O.S.A. Congress to student Congress.

"This request is not made lightly, nor without just cause. On October 25, 1983, U.O.S.A. Congress passed (on the floor of Congress) an amendment to the Student Organizations Appropriations Act, deleting section fifteen (15), concerning funding for the Gay/Lesbian Activist Alliance, and section nineteen (19) funding the Heterosexual Activist Alliance. The stated purpose of this amendment, according to its author Tom Copeland, was to stop U.O.S.A. funding of 'sexual/affectional preference' groups. The amendment passed by a vote of 20-14 in a fifty member Congress.

"The Gay/Lesbian Activist Alliance takes exception to this act of Congress on at least four points:

1. The amendment deleting funding for the G.L.A.A. and H.A.A. was enacted and applied ex post facto. Passage of the amendment was improper in that it applied a new rule on the eligibility of student groups for funding long after all applications for funding had been filed with, evaluated and recommended by the Ways and Means Committee.

2. The reference to 'sexual/affectional preference groups' is misapplied in the case of the Gay/Lesbian Activist Alliance. As stated in the Constitution of the G.L.A.A. registered with the Student Affairs Office, the G.L.A.A. is a political organization 'dedicated to increasing community understanding of sexuality and to improving the status of homosexuals through lawful action.' In addition, the phrase 'sexual/affectional preference' was applied arbitrarily to the two groups in question. The phrase was not defined in the amendment itself, author's explanation, nor in the ensuing debate on the amendment.

3. The debate on the amendment deleting funding for the G.L.A.A. and the H.A.A. was misdirected in that it did not pertain to previously established funding criteria. Rather than discussing the merits of the projects proposed in the budgets of the two organizations, Congress centered its debate on personal moral judgements.

4. The effect of the amended act is to disenfranchise the gay and lesbian students at the University of Oklahoma by denying them access to their own fair share of their student activity fees.

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"We have enclosed as comprehensive a set of documentation as is currently available to us. In view of the brief notice with which we submit this appeal, significant points in the information packet have been noted where proper for the sake of consciousness.

"Respectfully submitted this Eighth Day  
of November, 1983,

/s/ Gary Phillips

Gary Phillips  
President, Gay/Lesbian Activist Alliance  
Member, Session XXX of U.O.S.A. Congress

/s/ Thomas C. Thixton, Jr.

Thomas C. Thixton, Jr.  
Secretary-Treasurer, Gay/Lesbian Activist  
Alliance

/s/ Li Haoalani Morris

Li Haoalani Morris  
Member, Session XXX of U.O.S.A. Congress

/s/ T. J. McKinsey

T. J. McKinsey  
Member, Session XXX of U.O.S.A. Congress

/s/ Brent Capps

Brent Capps  
Chair, G.L.A.A. Budget Committee"

President Banowsky recommended that the decision to approve the Student Congress Bill be sustained.

Regent McCurdy moved approval of the recommendation. The following voted yes on the motion: Regents White, Little, Rothbaum, McCurdy, Imel, and Sarratt. The Chair declared the motion unanimously approved.

#### COMPUTER EQUIPMENT PURCHASE

Computing Services currently has 150 terminals, 19 printers, and 12 terminal controllers that are being leased from IBM under the IBM State and Local Government Plan. Under this plan, the University has been accumulating equity toward the purchase of these equipment items for the last

several years. We have now reached the point where it is far more advantageous to purchase these terminals, printers and controllers than to continue to lease them. For example, the purchase of this equipment would result in an average payback of 17 months versus the continued rental, so that after this period of time the University will own the equipment outright and will no longer have to make rental payments. This will result in significant savings in future fiscal years.

The cost to convert the terminals, printers, and controllers from the State and Local Government Lease Plan to the Purchase Plan from IBM is as follows:

<u>Equipment</u>	<u>Quantity</u>	<u>Total Dollars</u>
Terminals	150	\$252,301.00
Printers	19	70,191.00
Terminal Controllers	12	<u>71,756.00</u>
		\$394,248.00

Section 13/New College Funds have previously been approved for such computing equipment purchases.

President Banowsky recommended that the Board of Regents approve the award of a purchase order in the amount of \$394,248.00 to IBM for Conversion of Lease/Purchase to Purchase of above listed equipment.

Regent Sarratt moved approval of the recommendation. The following voted yes on the motion: Regents White, Little, Rothbaum, McCurdy, Imel, and Sarratt. The Chair declared the motion unanimously approved.

#### PURCHASE OF FORMS - COMPUTING SERVICES

Bids were circulated to furnish estimated quantities of fourteen stock forms for Computing Services for the six-month period, January 1, 1984 through June 30, 1984. The purchase will be charged to Computing Services Account 147-110.

An itemized summary of the bids received was distributed to each Regent with the agenda for this meeting.

The following low bid awards are acceptable.

	<u>Vendor</u>	<u>Item</u>	<u>Amount</u>	
1.	Bowater Computer Forms	1	\$45,998.40	
	Oklahoma City	6	2,343.60	
		7	1,019.76	
		8	904.32	
		14	<u>1,407.48</u>	\$51,673.56

2. Moore Business Forms	2	\$ 8,917.44	
Oklahoma City	3	6,288.00	
	4	6,600.00	
	10	531.60	
	11	1,057.50	
	12	3,780.00	
	13	<u>1,728.00</u>	\$28,902.54
3. Data Documents			
Oklahoma City	5	\$ 2,376.00	
	9	<u>1,476.00</u>	\$ 3,852.00
			\$84,428.10

President Banowsky recommended that the Board of Regents approve the award of purchase orders to the following vendors to supply stock paper to University Computing Services for six months:

Bowater Computer Forms	\$51,673.56
Moore Business Forms	28,902.54
Data Documents	3,852.00

Regent Imel moved approval of the recommendation. The following voted yes on the motion: Regents White, Little, Rothbaum, McCurdy, Imel, and Sarratt. The Chair declared the motion unanimously approved.

#### PROPOSAL, CONTRACT, AND GRANT REPORT

A summary of proposals for contracts and grants for the Norman Campus for October, 1983 was included in the agenda for this meeting. A list of all contracts executed during the same period of time on proposals previously reported was also included.

President Banowsky recommended that the President of the University or the President's designees be authorized to execute contracts on the pending proposals as negotiations are completed. The contract budgets may differ from the proposed amounts depending on these negotiations.

Regent Imel moved approval of the recommendation. The following voted yes on the motion: Regents White, Little, Rothbaum, McCurdy, Imel, and Sarratt. The Chair declared the motion unanimously approved.

#### FAA LEASE AND SERVICE AGREEMENT

On August 28, 1978, The University of Oklahoma and the Federal Aviation Administration entered into an agreement under which the University provides space and services in a portion of Cross Center for the operation of the FAA Air Traffic Controllers' Program. The training portion of this relationship is a separate agreement with the Oklahoma Center

for Continuing Education. In accordance with renewal privileges provided for in the original agreement, negotiations with FAA for space and services for the period October 1, 1983 through September 30, 1984 have been in process.

It is proposed the charge for the basic space contract for 1983-84 be increased from \$179,124.48 to \$191,316.00. It is proposed also that the basic services portion of the contract which includes janitorial and maid service, desk clerks, security guard, telephone and intercom system, and linen service be decreased from \$247,474.80 to \$191,731.68 (it is estimated there will be fewer student days during 1983-84 than in 1982-83). For 1983-84 three meals per day will be provided each FAA student in the Couch Center Cafeteria or the Commons Restaurant at an estimated cost of \$117,810.00. The total contract for 1983-84 will be \$500,857.68.

President Banowsky recommended approval of continuing the agreement with FAA for space and services in Cross Center for 1983-84 as explained above.

Regent Sarratt moved approval of the recommendation. The following voted yes on the motion: Regents White, Little, Rothbaum, McCurdy, Imel, and Sarratt. The Chair declared the motion unanimously approved.

#### ENERGY CONSERVATION PROJECTS

The University has applied for and received a U.S. Department of Energy energy conservation matching grant for \$210,000 to implement institutional energy conservation projects in Norman Campus Chilled Water Plant #1.

Existing Chilled Water Plant #1 uses steam to drive two 3,000 ton and three 1,000 ton turbine chiller units to produce most of the air conditioning capacity of the Norman Campus. Using steam to produce chilled water is not as efficient as using an electric motor to produce chilled water. Our grant is for converting one 3,000 ton and one 1,000 ton steam driven chiller to electric drive. The grant award was based on the chiller modification recommended in the C. H. Guernsey Energy Conservation and Utility Systems Study.

Federal grant monies of \$210,000, to be matched by an additional \$248,000 of Section 13/New College Funds, will be used to modify the two chiller units to electric drive.

President Banowsky recommended that the Board of Regents authorize (1) acceptance of a U.S. Department of Energy Grant of \$210,000, and (2) the purchase and installation of equipment to make the modifications on the two chiller units with grant monies of \$210,000 and \$248,000 in matching funds from Section 13/New College Funds.

Regent Imel moved approval of the recommendation. The following voted yes on the motion: Regents White, Little, Rothbaum, McCurdy, Imel, and Sarratt. The Chair declared the motion unanimously approved.

ENERGY CONSERVATION AND UTILITY SYSTEMS IMPROVEMENT PLAN - \$12,500,000  
UTILITY SYSTEM BOND ISSUE

Energy costs comprise a significant part of the operating budget of the University of Oklahoma, Norman Campus. For this reason, the Board of Regents authorized an engineering study of the University's utility systems to develop a plan for reducing utility costs and conserving energy. A seven month long study was conducted in 1982 by C. H. Guernsey and Company, a consulting engineering firm in Oklahoma City, to examine the utility systems on campus from the standpoint of energy efficiency, reliability, and cost of operation.

In July of 1983 the consultants presented a report on the results of their study and made specific recommendations on (1) improvements to the existing systems and (2) the best way to expand the current networks to serve the Energy Center, the School of Music Building and related current facilities. The Board of Regents accepted the recommendations and authorized the University administration to develop a plan for the implementation of the consultants' recommendations. Additional studies of the best way to implement the main recommendations have been completed and a plan has been developed.

In order to implement the consultants' recommendations, it will be necessary to sell approximately \$12,500,000 of revenue bonds. For a twenty year revenue bond issue, the projected interest rate is 10% and the annual debt service coverage is \$1,900,000. Based on the consultants' analysis and recommendations, it is estimated that after debt service there will be a net savings in 1985-86 of approximately \$2,100,000. Approximately \$1,200,000 will be realized as a savings to the 1985-86 education and general budget, with other savings of \$900,000 for auxiliaries such as Housing and the Athletic Department.

Proceeds from the sale of bonds will be used to (1) construct a new central substation, (2) extend the campus electric distribution system, (3) make improvements to the main power plant, (4) modify two main cooling plants, and (5) extend the electric power, heating and cooling systems.

President Banowsky recommended that the Board of Regents (1) approve the plan to sell approximately \$12,500,000 in bonds and the preliminary official statement, a copy of which is attached hereto and made a part of these minutes as Exhibit B, and (2) authorize the administration to proceed with the selection of engineers for the project.

Regent Imel moved approval of the recommendation. The following voted yes on the motion: Regents White, Little, Rothbaum, McCurdy, Imel, and Sarratt. The Chair declared the motion unanimously approved.

## MAINTENANCE TECHNICAL SUPPORT CENTER

Meyer Brown, Inc., project architects, has completed the design and final contract documents are being completed for the Maintenance Technical

Support Center Renovation and Addition project (Building 134, South Campus). The project has a total budget of \$800,000 and all costs associated with the new construction and renovation work, including administrative costs, will be paid by the U.S. Postal Service. In order to proceed with the project as requested by the U.S. Postal Service, advertisement for bids will take place following the confirmation of funding, incorporation of final comments from the University in the documents, and approval by the U.S. Postal Service.

President Banowsky recommended that the Board of Regents approve final plans and specifications for the Maintenance Technical Support Center Renovation and Addition project and authorize the advertisement for bids upon completion of final contract documents, subject to approval by the U.S. Postal Service.

Regent McCurdy moved approval of the recommendation. The following voted yes on the motion: Regents White, Little, Rothbaum, McCurdy, Imel, and Sarratt. The Chair declared the motion unanimously approved.

#### OIL AND GAS LEASE

The University acquired 160 acres at the corner of Memorial Road and Western in Oklahoma City in the late 1960's from the May Walker Estate. The surface has been sold but the mineral rights were retained. At the September meeting the Board rejected a bid that was received in August for an oil and gas lease on the property legally described as NW $\frac{1}{4}$ , Section 16, Township 13 North, Range 3 West, Oklahoma County. The lease was readvertised in an attempt to secure more bids.

The following bids were received on October 27:

<u>Bidder</u>	<u>Cash Bonus</u>
Shawver & Son, Inc. Oklahoma City	\$20,246.90
Joseph B. Singer Revocable Trust Oklahoma City	\$ 4,500.00 for 90 mineral acres
Boswell Energy Oklahoma City	\$12,281.60
Business Marketing Exchange, Inc. Oklahoma City	\$ 105.00 for 15 acres

President Banowsky recommended acceptance of the bid of Shawver & Son, Inc. for a two-year lease that would include the following additional terms:



1. 3/16ths royalty
2. \$5.00 per acre annual delay rental
3. A requirement to commence drilling operations within the first year of the lease
4. In accordance with the advertisement, the requirement to pay the advertising bill of \$2,366.75

Regent Rothbaum moved approval of the recommendation. The following voted yes on the motion: Regents White, Little, Rothbaum, McCurdy, Imel, and Sarratt. The Chair declared the motion unanimously approved.

#### POST-SEASON BOWL BID

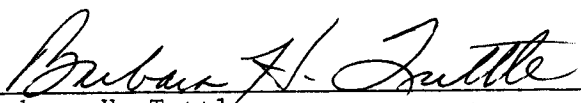
Since the Board of Regents will not have another meeting prior to the date post-season football bowl bids are extended, President Banowsky suggested that the President of the University be authorized to consider and accept a post-season bowl bid if one is offered.

Regent McCurdy moved approval of the recommendation. The following voted yes on the motion: Regents White, Little, Rothbaum, McCurdy, Imel, and Sarratt. The Chair declared the motion unanimously approved.

#### REPORT ON MAJOR CAPITAL IMPROVEMENT PROJECTS

As shown on the following pages, a report was presented to the Regents on major capital improvement projects now under construction and in various stages of planning on the Norman Campus. No action was required.

There being no further business, Regent White adjourned the meeting at 9:35 a.m.

  
\_\_\_\_\_  
Barbara H. Tuttle  
Executive Secretary of the Board of Regents

PROJECTS UNDER CONSTRUCTION

Project	Architects or Engineers	Contractors	Contract Award Date	Original Adjusted Completion Date	Original Current Contract Amount	Status Percent Complete	Source of Funds
Campus Lighting Program	Paul Sprehe and Associates, Inc.	Physical Plant	---	12/20/83	\$ 175,000	45%	Section 13/New College Funds.
Energy Center Building, Phase IIA	The Benham Group	Harmon Construction	07-14-83	12/31/85	<u>\$9,229,613</u> \$9,199,427	7%	State Building/Private Funds.

PROJECTS IN VARIOUS STAGES OF PLANNING

Project	CMP Priority Number	Architects or Engineers	Contract or Letter	Estimated Cost	Status
Science Hall Renovation	M&R 28	Shaw Associates, Inc.	01/22/76	\$ 886,201	Schematic plans have been approved. Project is inactive.
Gould Hall Renovation, Phase II	M&R 13B	Loftis, Bell & Downing Architects and Planners	07/22/82	\$ 1,695,000	This project is inactive.
Gould Hall Renovation, Phase IIA	M&R 13D	Loftis, Bell & Downing Architects and Planners	07/22/82	\$ 250,000	Final plans have been completed.
Golf Course Improvement Program, Dam, Lake, and Pumping System, Part 1	---	Associated Engineers, Inc.	12/10/80	\$ 450,000	Final plans have been completed.
Golf Course Improvement Program, Water Distribution and Sprinkler System, Part 2	---	Architectural and Engineering Services	---	\$ 300,000	Final plans have been completed.
Golf Course Improvement Program, Landscaping and Other Improvements, Part 3	---	Architectural and Engineering Services	---	\$ 250,000	Preliminary studies are in process.
Golf Course Improvement Program, Effluent Line, Part 4	---	Associated Engineers, Inc.	12/10/80	\$ 150,000	Final plans have been completed.
Expansion of Electric Power, Heating and Cooling System	M&R 42	C.H. Guernsey & Company	04/21/82	\$ 100,000	The final report has been completed.
Energy Center Building, Phases IIB, III, IV and V	NC 2	The Benham Group	12/16/81	\$45,000,000	Final plans for Phases IIB and IIIB are 90% complete. Design development plans for Phases III and IV are complete.
School of Music Building	NC 3&4	Kaighn Associates Architects, Inc. and Bauer, Stark & Lashbrook (Joint Venture)	04/08/82	\$13,400,000	Contract documents have been completed for Phases IA, IB, IC and ID. Bids for Phase IA are scheduled to be received November 1983.

THE UNIVERSITY OF OKLAHOMA, NORMAN CAMPUS  
MAJOR CAPITAL IMPROVEMENTS PROGRAM

PROJECTS IN VARIOUS STAGES OF PLANNING

ARCHITECTURAL AND ENGINEERING SERVICES  
PROGRESS REPORT - NOVEMBER, 1983

Project	CMP Priority Number	Architects or Engineers	Contract or Letter	Estimated Cost	Status
Brooks Street Parking Area	---	Lawrence, Lawrence, and Flesher	07/27/79	\$ 750,000	Inactive. Preliminary plans have been completed.
Copeland Hall Addition	NC 5	Murray-Jones-Murray	03/01/83	\$ 5,000,000	The basic requirements for this project are being reconsidered.
College of Environmental Design Expansion	M&R 56	Architectural and Engineering Services	---	\$ 800,000	Preliminary studies are underway.
Career Planning and Placement Renovation	M&R 59	Architectural and Engineering Services	---	\$ 200,000	Preliminary plans are complete. The project is inactive.
University Childhood Center	ANC 1	Architectural and Engineering Services	---	\$ 800,000	Design Development Phase plans are underway.
Max Westheimer Field, North Taxiway System Improvements, Phase IV	---	C.H. Guernsey Company, Inc.	04/14/83	\$ 939,600	Preliminary studies are underway. An application for a DOT Grant has been submitted.
Building 134 Renovation and Addition	---	Meyer/Brown, Inc.	---	\$ 800,000	Architects have been selected. Final plans are underway.
N.E.L. Building Renovation	---	Architectural and Engineering Services	---	\$ 500,000	Final plans have been completed for the telephone switch gear section of this project.

THE UNIVERSITY OF OKLAHOMA HEALTH SCIENCES CENTER  
STUDENT COUNCIL BUDGETS  
For Fiscal Year 1983-84

	College of Medicine	College of Dentistry	College of Nursing	College of Allied Health	College of Pharmacy	Graduate College	Physician's Associate	Tulsa Medical College	Total
Beginning Cash Balance	\$ 17,691	\$ 4,766	\$ 7,317	\$ 8,441	\$ 6,814	\$ 28,822	\$ 2,475	\$ 1,068	\$ 77,394
<u>Income:</u>									
Estimated Activity Fees	<u>52,752</u>	<u>26,772</u>	<u>20,035</u>	<u>22,200</u>	<u>10,410</u>	<u>27,000</u>	<u>3,350</u>	<u>6,552</u>	<u>169,071</u>
Total Available Funds	<u>\$ 70,443</u>	<u>\$ 31,538</u>	<u>\$ 27,352</u>	<u>\$ 30,641</u>	<u>\$ 17,224</u>	<u>\$ 55,822</u>	<u>\$ 5,825</u>	<u>\$ 7,620</u>	<u>\$246,465</u>
<u>Expenditures:</u>									
Insurance	\$ 12,700	\$ 2,820	\$ 3,800	\$ 7,800	\$ 200	\$ 7,200	\$ 800	\$ 1,200	\$ 36,520
Student Association	900	600	275	280	200	630	100		2,985
Social Activities	20,870	6,100	3,800	3,000	1,850	5,800	1,500	1,000	43,920
Graduation			1,500	3,000	2,500		1,500	1,200	9,700
Travel	1,590	2,600			1,500				5,690
Operating	1,609		550	4,600	650	2,110			9,519
Class Allocation	9,420	13,705	4,735						27,860
Educational Activities	3,000		875	5,800	6,700	4,700	300		21,375
Temporary Student Lounge	5,275	2,678	2,000	2,200	900	2,312	335		15,700
Miscellaneous	<u>2,663</u>	<u>1,000</u>	<u>2,500</u>	<u>3,000</u>	<u>1,000</u>	<u>6,865</u>		<u>3,800</u>	<u>20,828</u>
Total Budgeted Expenditures	<u>\$ 58,027</u>	<u>\$ 29,503</u>	<u>\$ 20,035</u>	<u>\$ 29,680</u>	<u>\$ 15,500</u>	<u>\$ 29,617</u>	<u>\$ 4,535</u>	<u>\$ 7,200</u>	<u>\$194,097</u>
Estimated Cash Balance, June 30, 1984	<u>\$ 12,416</u>	<u>\$ 2,035</u>	<u>\$ 7,317</u>	<u>\$ 961</u>	<u>\$ 1,724</u>	<u>\$ 26,205</u>	<u>\$ 1,290</u>	<u>\$ 420</u>	<u>\$ 52,368</u>

EXHIBIT A  
11-10-83

**DRAFT  
PRELIMINARY**

**Official Statement  
and  
Notice of Sale Dated \_\_\_\_\_, 1984**

**Board of Regents  
of the  
University of Oklahoma  
\$12,500,000**

**Utility System Revenue Bonds of 1984**

THE UNIVERSITY OF OKLAHOMA

BOARD OF REGENTS

Dr. Ronald H. White, Oklahoma City  
President

Mr. Dan Little, Madill  
Vice President

Mr. Julian J. Rothbaum, Tulsa  
Mr. Tom McCurdy, Purcell  
Mr. John M. Imel, Tulsa  
Mr. Thomas Elwood Kemp, Ada  
Mr. Charles F. Sarratt, Edmond

Mrs. Barbara H. Tuttle, Executive  
Secretary of the Board of Regents

UNIVERSITY OFFICIALS INCLUDE

Dr. William S. Banowsky, President  
Dr. John R. Morris, Provost, Norman Campus  
Dr. Arthur J. Elbert, Vice President for Administrative Affairs  
Dr. David A. Burr, Vice President for University Affairs  
Dr. R. Gerald Turner, Vice President for Executive Affairs  
Ms. Anona Adair, Vice President for Student Affairs  
Mr. Jerry B. Farley, Associate Vice President for Administrative  
Affairs  
Mr. Arthur N. Tuttle, Director, Architectural and Engineering Services  
Mr. Ron L. Thornton, Director, Accounting Services

UNIVERSITY COUNSEL

Stanley M. Ward, Chief Legal Counsel  
Kurt F. Ockershauser, Associate Chief Legal Counsel

CONSULTING ENGINEERS

C. H. Gurnsey and Company

BOND COUNSEL

Crowe and Dunlevy

FINANCIAL CONSULTANT

Merrill Lynch White Weld Markets  
New York City, New York

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- C - General Information
- D - Debt Authorization Schedule



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- A - Financial Statements
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DRAFT

PRELIMINARY OFFICIAL STATEMENT AND NOTICE OF SALE  
DATED \_\_\_\_\_, 1984

NEW ISSUE

Rating: Standard & Poor's

In the opinion of Bond Counsel interest on the Bonds is exempt from federal income taxes under existing statutes and court decisions and, under existing statutes, the Bonds, their transfer and the income therefrom, including any profit made on the sale thereof, are exempt from taxes directly imposed thereon by the State of Oklahoma and by the municipalities and all other political subdivisions of the state.

\$12,500,000

Board of Regents  
of the University of Oklahoma  
Utility System Revenue Bonds  
Series 1984

Dated: \_\_\_\_\_, 1984

Due: February 1, as shown below

The Bonds are issuable only as fully registered bonds in the denominations of \$5,000 or any authorized intergal multiple thereof. Interest on the Bonds is payable August 1, 1984 and on each February 1, and August 1 thereafter by check or draft mailed to the registered owner. Principal of the Bonds, when due, is payable at the principal office of \_\_\_\_\_, Trustee, as Bond Registrar and Paying Agent or, at the option of the registered owner, at the principal office of \_\_\_\_\_, Co-Paying Agent. The Bonds are subject to redemption prior to maturity as more fully set forth herein.

The Bonds are special obligations of the Board of Regents of the University of Oklahoma which has no taxing power, payable solely from the revenues of the Utility System of the University of Oklahoma. Neither the State of Oklahoma nor any political subdivision thereof is or shall be obligated to pay the principal or redemption price of or interest on the Bonds and neither the faith and credit nor the taxing power of the state or any political subdivision thereof is or shall be obligated to pay the principal or redemption price of or interest on the Bonds and neither the faith and credit nor the taxing power of the state or any political subdivision thereof is pledged to such payment. The Bonds do not represent a general obligation of the University of Oklahoma.

MATURITY SCHEDULE

<u>Year</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price On</u> <u>Yield</u>	<u>Year</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price On</u> <u>Yield</u>
	\$	%	%		\$	%	%
	\$	%	%		\$	%	%

% Term Bonds Due \_\_\_\_\_, Price %  
(Accrued interest to be added)

The Bonds are offered when, as and if issued and received by the Purchasers subject to approval of legality by Bond Counsel, and certain other conditions. Certain legal matters are subject to the approval of Counsel to the Underwriters. It is expected that the Bonds in definitive form will be ready for delivery in New York, New York on or about \_\_\_\_\_, 1984.

No dealer, broker, salesman or other person has been authorized by the Board of Regents of the University of Oklahoma to give any information or to make any representations with respect to the Utility System Revenue Bonds, Series 1984, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. Certain information contained herein has been obtained from the Board of Regents of the University of Oklahoma and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness, and it is not to be construed as a representation of the Board of Regents of the University of Oklahoma. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstance, create an implication that there has been no change in the affairs of the parties referred to above since the date hereof.

## INTRODUCTORY STATEMENT

### PURPOSE

The proceeds received from the sale of the Bonds are to be used to provide funds, including the payment of fees, to implement improvements and construct additions to the University's Norman Campus utility systems, in order to reduce utility cost, conserve fuel resources and provide for flexible and manageable utility service in the future. The total project is sub-divided into six basic components.

1. Construction of a new central electric substation facility.
2. Extension of the existing University's electrical distribution system.
3. Power Plant improvements to maximize cogeneration capabilities.
4. Cooling Plant improvements to convert equipment from steam to electric power.
5. Other Improvements to extend the central heating system.
6. Utility system additions to extend the capacity of the central Power Plant to new campus sites.

### THE UNIVERSITY OF OKLAHOMA

The University of Oklahoma was created by the first territorial legislature in 1890. Later constitutional amendments placed the governance of the University of Oklahoma with the Board of Regents of the University of Oklahoma. The University is a member of the Oklahoma State System of Higher Education that includes all collegiate institutions in Oklahoma supported wholly or in part by state appropriations.

### THE BOARD OF REGENTS

The governance of the University is vested in the Board of Regents of the University of Oklahoma, a constitutional board of seven members appointed by the Governor of the State of Oklahoma for staggered seven year terms, subject to confirmation by the Senate.

### THE SYSTEM

The issuance of the Utility System Revenue Bonds Series 1984 will create a Utility System (the "System") which will include all of the University's utility systems, including power generation and distribution systems, cooling systems, heating systems and water systems.

### SECURITY FOR THE BONDS

This issue of Bonds is a special obligation of the Board of Regents of the University of Oklahoma and is secured by charges imposed by the system for the provision of utility services for the operation of all the University of Oklahoma Norman Campus Educational and General and Auxiliary Enterprises, including the separately budgeted University of Oklahoma Law Center and the

Oklahoma Geological Survey. Savings resulting from the Utility Systems Energy Conservation Improvements, will result in sufficient revenues to meet all requirements of the Bond issue.

The Bonds are not an indebtedness of the State of Oklahoma, the University of Oklahoma, or the Board of Regents, but rather are a special obligation payable from the pledged revenues of the Utility Systems.

BOND FUND RESERVE ACCOUNT

Upon delivery of the payment for the Bonds, the Board of Regents will cause the transfer to the Trustee Bank of an amount equal to the maximum annual principal and interest requirement on the Bonds for the deposit into the Reserve Account of the Bond Fund.

CAPITALIZED INTEREST UPON DELIVERY OF PAYMENT OF THE BONDS

The Board of Regents shall cause an amount of capitalized interest as specified for the interest requirements on the Bonds to be transferred to the Trustee Bank for deposit into the principal and interest account of the Bond Fund.

DRAFT

PRELIMINARY OFFICIAL STATEMENT  
Relating to  
BOARD OF REGENTS OF THE UNIVERSITY OF OKLAHOMA  
Utility System Revenue Bond  
Series 1984

February, 1984

The purpose of this Official Statement is to furnish information concerning the Board of Regents of the University of Oklahoma and its \$12,500,000 Utility System Revenue Bonds Series authorized by a bond resolution, to be adopted by the Regents on \_\_\_\_\_ 1984 (the "Resolution"). The Bonds, together with additional bonds which may be issued under certain conditions as set forth in the Resolution, will be secured under the provisions of the resolution and Title 70, of the Oklahoma Statutes, Section 4001 to 4014, inclusive, as amended and supplemented (the "Act").

The information contained in the Official Statement has been prepared under the direction of the Board of Regents for use in connection with the sale of the Bonds.

The proceeds received from the sale of the Bonds are to be used to provide funds, including the payments of fees, to implement improvements and construct additions to the University's Norman Campus utility systems in order to reduce utility cost, conserve fuel resources and provide for flexible and manageable utility service in the future. The total project is sub-divided into six basic components.

1. Construction of a new central electric substation facility.
2. Extension of the existing University's electrical distribution system.
3. Power Plant improvements to maximize cogeneration capabilities.
4. Cooling Plant improvements to convert equipment from steam to electric power.
5. Other Improvements to extend the central heating system.
6. Utility system additions to extend the capacity of the central Power Plant to new campus sites.

The structures together with fixtures, equipment, associated facilities and the site thereof being herein called the "Project."

The payments required to be made under the Resolution shall be at a least equal to 1.25% of the maximum amount of principal and interest coming due in the Bond Year in which the Bonds remain outstanding and for which provision for their repayment has not been made. The payments required to be made under the Resolution are payable \_\_\_ to \_\_\_ trustee under the Resolution (the "Trustee").

The Bonds and any additional parity bonds that may be issued under the provisions of the Resolution are special obligations of the Board of Regents, payable solely from the secured by a pledge of the first lien on the revenues of the Utility System of the University of Oklahoma, and shall not be deemed to

constitute a debt or liability of the State of Oklahoma or of any political subdivision thereof, or a pledge of the general obligation or credit of the University of Oklahoma.

## THE BOARD OF REGENTS

### POWERS OF THE BOARD

By constitutional enactment, the government of the University is vested in the Regents of the University of Oklahoma, a board consisting of seven members appointed by the Governor with the advice and consent of the state senate. Each member is appointed to serve for seven years, except when appointed to fill an unexpired term, and is subject to removal from office only as provided by law for the removal of officers not liable to impeachment.

The Oklahoma State Regents and the University Regents approve the requirements for admission and graduation, the degrees offered, and the fees and expenses. The boards reserve the right to change these requirements.

The President is charged with the educational and business management of the entire University. Upon recommendation of the faculties and by authority vested in him or her by the Regents, the President confers all degrees.

The University is a part of the Oklahoma State System of Higher education. The Oklahoma State Regents for Higher Education is the coordinating board of control of the system which is composed of all higher education institutions supported wholly or in part by state appropriations. Colleges not supported by the state may become part of the state system.

The University as a part of the public educational system of the state, established by legislative action and supported by legislative appropriations made annually, places emphasis on sound scholarship, good citizenship, and the duties of the individual to the community and the commonwealth.

The Board of Regents issues Bonds under the provisions of Title 70, Oklahoma Statutes 1971, Section 4001 - 4014 inclusive as amended.

### ORGANIZATION AND MEMBERSHIP

Dr. Ronald H. White, Oklahoma City - President	Mr. John M. Imel, Tulsa
Mr. Dan Little, Madill - Vice President	Mr. Thomas Elwood Kemp, Ada
Mr. Julian J. Rothbaum, Tulsa	Mr. Charles F. Sarratt, Edmond
Mr. Tom McCurdy, Purcell	

### OUTSTANDING OBLIGATIONS OF THE BOARD OF REGENTS

The Board has heretofore authorized the issued obligations to finance certain projects for the University of Oklahoma. The tabulation which follows describes each of such obligations including the principal amounts outstanding as of February 1, 1984.

<u>Description of Issue</u>	<u>Final Maturity Date</u>	<u>Principal Amount of Original Issuance</u>	<u>Principal Amount Outstanding February 1, 1984</u>
1957 Dormitory System Revenue Bonds	October 1, 1996	6,541,000	287,000
1959 Dormitory System Revenue Bonds	October 1, 1988	1,400,000	412,000
1963 Housing System Revenue Bonds	July 1, 2003	5,700,000	3,804,000
1964 Housing System Revenue Bonds	July 1, 2003	3,000,000	2,165,000
1964 Organized Group Housing System Revenue Bonds Series 2	July 1, 1993	340,000	186,000
1966 Housing & Dining Revenue Bonds	July 1, 1999	13,600,000	10,110,000
1973 Utility System Revenue Bonds	July 1, 2003	10,125,000	8,495,000
1974 Stadium System Revenue Bonds	July 1, 1989	5,000,000	1,390,000
1977 Utility System Revenue Bonds	January 1, 2005	7,040,000	6,135,000
1979 Student Facilities Revenue Bonds	January 1, 2010	\$10,405,000	\$10,115,000
1979 Stadium System Revenue Bonds	January 1, 1997	5,800,000	3,590,000
1979 Utility System Revenue Bonds	July 1, 2009	7,060,000	6,790,000

#### THE SERIES 1984 PROJECT

The proceeds received from the sale of the Bonds are to be used to provide funds, including the payment of fees to implement improvements and construct additions to the University's Norman Campus utility systems, in order to reduce utility cost, conserve fuel resources and provide for flexible and manageable utility service in the future. The total project is sub-divided into six basic components.

1. Construction of new central electric substation facility.
2. Extension of the existing University's electrical distribution system.



3. Power Plant improvements to maximize cogeneration capabilities.
4. Cooling Plant improvements to convert equipment from steam to electric power.
5. Other improvements to extend the central heating system.
6. Utility system additions to extend the capacity of the central Power Plant to new campus sites.

I. PRESENT UTILITY SYSTEM

Approximately two-thirds of the University's utility requirements are met by a centralized utility system - that is, electric power, heating and cooling requirements are supplied by central plants. The centralized utility system consists of a central power/heating plant and two central cooling plants that serve a majority of the academic facilities and student housing on campus. These facilities are interconnected by an electric distribution and piping network located in the underground tunnels.

The balance of the University's utility systems are decentralized - that is, utility service is supplied at a number of separate locations. Electric power is supplied in these areas primarily by Oklahoma Gas and Electric Company (OG&E) at more than sixty metered locations on the north campus, south campus, and portions of the central campus. Heating and cooling in these areas are provided by individual plants serving one or more buildings.

II. RECOMMENDED IMPROVEMENTS

The findings, conclusions and recommendations of the consulting engineer's report are summarized below. For additional information see the Engineer of Record report, Appendix B.

- a. Construct a new Central Substation, Cost: \$2,710,000  
A new central electric substation will enable the University to purchase power for all of the Norman Campus at a single metering location from Oklahoma Gas and Electric Company, or other power supplier, at low rates made available to large power purchasers.
- b. Extend the University's Electric Distribution System, Cost: \$1,512,000  
The recommended extensions bordering the main campus will incorporate and centralize areas presently served by OG&E at over sixty metered locations. The improvements, which include the extension of the campus electrical distribution loop to eliminate the large number of separate electric metering points, will provide a reliable source of electric power, purchased at a lower cost at the new central substation. Areas are the athletic complex, Parkview Apartments, Couch Tower, Oklahoma Center of Continuing Education, Kraettli Apartments, Yorkshire Apartments, Lloyd Noble Center and other facilities on the south campus.
- c. Complete Power Plant Improvements, Cost: \$1,155,000  
The recommended improvements will maximize the capability of the University's power plant to generate electricity as a by-product

of steam produced to heat buildings, a process known as cogeneration. The installation of a new steam turbine generator is required. Although limited by the demand for space heating, cogeneration is the most economical and fuel efficient source of power available to the University.

d. Complete Cooling Plant Improvements, Cost: \$1,275,000

The recommended cooling plant modifications will convert approximately one-half of the University's cooling capacity from steam to electric operation utilizing power purchased at the central substation. The modifications, which involve the substitution of three new electric motors for steam turbines located in Chilled Water Plant #1 and Chilled Water Plant #2, will reduce cooling costs, conserve fuel resources and lessen the University's future dependence on natural gas.

e. Other Improvements, Cost: \$307,000

Extension of the central heating system south of Timberdell Road will reduce utility costs associated with the Law Center, which is inefficiently heated with electricity, and will provide an economical source of space heating for future facilities planned nearby.

f. Construct Utility Systems Additions, Cost: \$3,027,000

The recommended utility system additions and extensions which include new tunnels, steam piping, chilled water piping and electric power lines, will provide an efficient and economical source of electric power, heating, and cooling for the School of Music, Energy Center, and other facilities. The present capacity of the University's central power, heating and cooling plants, including the recommended substation, is sufficient to meet the utility requirements associated with these future facilities. An upgrade of the central computerized control system will enhance the capability to control and monitor energy use.

ESTIMATED APPLICATION OF SERIES 1984 BOND PROCEEDS

The proceeds to be received from the sale of Series 1984 Bonds shall be applied together with certain other monies, approximately as follows:

Utilities Systems Improvements		\$ 6,959,000
Utilities Systems Extensions		3,027,000
Estimated Deposit to the Debt Service Reserve Fund		1,456,954
Estimated Cost of Issuance		187,255
Capitalized Interest During Construction	\$1,666,666	
Less: Interest Earned		
During Construction	796,875	869,791
Total Series 1984 Bond Issue		<u>\$12,500,000</u>

SECURITY FOR THE BONDS

This issue of Bonds will be special obligations of the Board of Regents and shall be secured by a lien on and a pledge of the following sources of revenue: All revenue generated by the University of Oklahoma Physical Plant Department

Utility System Service Unit. The Utilities System Service Unit incurs cost in order to provide utility services including steam for heating and electrical power generation, cooling, water and purchased electrical power. Utilities thus created or purchased are sold to all educational and general and auxiliary enterprises operating on the Norman Campus of the University of Oklahoma. Rates are established to insure recovery of all cost, plus a satisfactory operating margin. Implementation of the Energy Conservation Improvements will result in substantial savings to the system which will be used to secure the Bonds.

The Board of Regents will covenant in the General Bond Resolution that it will impose and collect sufficient charges for Utility consumption to permit the payment of the debt service requirements on the Bonds and any other requirements specified under the General Bond Resolutions.

As additional security in the event of default, the holders of fifty-one percent (51%) of the principal amount of the outstanding bonds of the system may or the Trustee Bank shall upon the written request of such holders, apply to a court of competent jurisdiction to have a temporary trustee appointed to enter into possession of the system and to operate it until the default is remedied or until all Bonds related to the system are retired or provisions for the payment is made, whichever occurs first.

Upon delivery of and payment for the Bonds, the Board of Regents will cause the transfer to the Trustee Bank of an amount equal to the maximum annual principal and interest requirement on the Bonds for the deposit into the Reserve Account of the Bond Fund.

DESCRIPTION OF SERIES 1984 BONDS

The Bonds will be issued in the aggregate principal amount of \$12,500,000 will be dated and bear interest from \_\_\_\_\_, 1984 at such rate or rates per annum as shall be determined upon the sale thereof and will mature on February 1 in the years, and in the principal amounts as shown below:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
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The Bonds will be issued in fully registered form in the denomination of \$5,000 each in accordance with the Resolution.

The principal of and interest on the Bonds (interest payable August 1, 1984 and semiannually thereafter on February 1 and August 1), are payable in lawful money of the United State of America at the Principal office of \_\_\_\_\_, the Trustee under the Resolution.

Redemption Provisions

The Bonds maturing on or before February 1, \_\_\_\_\_, will become due without option of prior redemption.

The Bonds Maturing on February 1 \_\_\_\_\_, shall be retired by redemption, prior to their maturity, commencing on February 1, each year thereafter, by Sinking Fund Installments which shall have been accumulated in the Sinking Fund Account of the Debt Service Fund. The Sinking Fund Installments shall be sufficient to pay or redeem at 100%, without premium, the principal amount of such Bonds, together with the accrued interest thereon to the date of redemption, specified for each of the years shown in the table below:

Term Bonds Due February 1,

<u>Year</u>	<u>Sinking Fund Installment</u>
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The Bonds maturing on or after February 1, \_\_\_\_\_, are subject to redemption prior to maturity on or after February 1, through operation of the Redemption Fund, or, at the option of the University, from any moneys that may be available to the University for such purpose, as a whole at any time, or in part on any interest payment date, in inverse order of maturity (if less than all of the Bonds outstanding of any maturity shall be called for redemption, such Bonds to be so redeemed shall be selected by the Trustee by lot, or, in any customary manner of selection to be determined by the Trustee), at the following prices (expressed as percentages of the principal amount) for the respective periods set forth below, together with accrued interest to the date of redemption:

<u>Redemption Date (Dates Inclusive)</u>	<u>Redemption Price</u>
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Negotiable Instruments

The Bonds issued pursuant to the Act are fully negotiable within the meaning of the Uniform Commercial Code of the State of Oklahoma, subject only to the provisions of registration contained in the Bond.

Estimated Annual Debt Service Requirements

The level annual debt service total \$1,456,954 and is reported in detail in Appendix D. The Savings resulting from the energy conservation improvements will provide the debt service coverage reflected in following Table 1.

The reduced revenue requirement will provide savings to the University's educational and general budget, auxiliary enterprise departments and external users. Historic costs with and without the improvements and the reduced revenue requirements are presented in detail in the Engineer of Record report Appendix B and Exhibit B-1 through B-4.

Table 1

ESTIMATED ANNUAL DEBT SERVICE  
REQUIREMENTS AND COVERAGE

Projected Operations  
for  
Fiscal Year Ending June 30,

	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
Operating Revenues	9,384,511	10,941,056	10,908,533	11,817,382	13,119,147	14,404,691	15,842,755	17,444,297
Less:								
Operating Expenses	<u>9,093,812</u>	<u>10,866,935</u>	<u>9,334,479</u>	<u>10,471,167</u>	<u>11,757,820</u>	<u>13,043,988</u>	<u>14,476,186</u>	<u>16,071,440</u>
Net Operating Revenues	290,699	74,121	1,574,054	1,346,215	1,361,327	1,360,703	1,366,569	1,372,857
Interest Income	-	-	145,695	145,695	145,695	145,695	145,695	145,695
Prior Year Balance	<u>156,182</u>	<u>446,881</u>	<u>521,003</u>	<u>783,797</u>	<u>818,753</u>	<u>868,821</u>	<u>918,265</u>	<u>973,575</u>
Funds Available for Debt	446,881	521,003	2,240,751	2,275,707	2,325,775	2,375,219	2,430,529	2,492,127
Debt Service (See Appendix D)	<u>-</u>	<u>-</u>	<u>1,456,954</u>	<u>1,456,954</u>	<u>1,456,954</u>	<u>1,456,954</u>	<u>1,456,954</u>	<u>1,456,954</u>
Cash Balance	<u>\$ 446,881</u>	<u>\$ 521,003</u>	<u>\$ 783,797</u>	<u>\$ 818,753</u>	<u>\$ 868,821</u>	<u>\$ 918,265</u>	<u>\$ 973,575</u>	<u>\$1,035,173</u>
Debt Coverage	-	-	1.54	1.56	1.60	1.63	1.67	1.71

SUMMARY OF CERTAIN PROVISIONS OF THE RESOLUTION

The following is a summary of certain provisions of the General Bond Resolution dated as of \_\_\_\_\_, 1984, between the University and the Trustee Bank, as Trustee for the Bond holders. Reference is made to the General Bond Resolution for the complete recital of its terms and provisions.

As used herein, the words Bond or Bonds mean any bond or bonds issued pursuant to the General Bond Resolution which are at any time outstanding.

APPLICATION OF BOND PROCEEDS

Utility system improvements	\$ 6,959,000
Utility system extensions	3,027,000
Net interest cost during construction	869,791
Establish bond reserve	1,456,954
Issuance costs	<u>187,255</u>
Total Revenue Bond Issue	\$12,500,000

USE OF FUNDS AND ACCOUNTS

- A. The University of Oklahoma Utility System Revenue Bonds, Series Project Fund (the "Project Fund") shall be established pursuant to the Series Bond Resolution and shall be used to receive proceeds of the Series of Bonds, including receiving interest earned on this Fund during construction, and may be used to receive proceeds of contributions and other sources of funds for development of System facilities, and shall be used to disburse these funds in the manner specified in the Series Bond Resolution. The Project Fund shall be maintained as a special fund with the Treasurer of the State of Oklahoma.
- B. The University of Oklahoma Utility System Revenue Bonds, Service Unit Fund (the "Service Unit") shall be used to receive the deposit of the gross revenues of the System and shall be used to pay the reasonable and necessary expenses required to procure or produce utilities to operate, maintain and repair the Utility System or any part thereof. The Service Unit may be sub-divided into various revolving accounts maintained by the University as operating accounts for the respective facilities or components of the total System. The Service Unit, including all revenues and expenses shall be maintained as Revolving Fund Accounts with the Office of the State Finance and the Treasurer of the State of Oklahoma.
- C. The University of Oklahoma Utilities System Revenue Bonds, Bond Fund (the "Bond Fund"), and its corresponding Principal and Interest Account and Bond Fund Reserve Account shall be used for the following purposes:
- (1) The Principal and Interest Account shall be used to receive from the Project Fund any amount of capitalized principal and/or interest as may be specified in any Series Bond Resolution; and to receive transfers first from the Service Unit Fund, second from the Special Reserve Fund, and third from the Bond Fund Reserve Account in amounts sufficient to pay the principal of and interest on the Bonds when due and payable and, if funds are available for such purpose, pursuant to the General Bond Resolution to effect the purchase or redemption of the Bonds prior to stated maturity.

- (2) The Bond Fund Reserve Account shall be used to receive either initially upon delivery of and payment for any Series of Bonds an amount equal to the maximum annual principal and interest requirements on the Series of Bonds or equal monthly installments over a period not to exceed five (5) years from the expiration of any period of capitalized principal and/or interest as may be specified in any Series Bond Resolution which will equal on completion of the installments an amount equal to the maximum annual principal and interest requirements on the Series of Bonds (exclusive of the final maturity or any balloon maturity for which a reserve or other non-recurring funds are established). This amount shall be maintained as a minimum balance by transfers from the Service Unit Fund, after the required transfers to the Principal and Interest Account, within a period of thirty-six (36) months of the creation of such deficiency. Amounts in excess of the minimum balance required may, at the discretion of the Board of Regents, be transferred to the Principal and Interest Account to reduce principal and interest requirements or to effect the purchase or redemption of Bonds prior to stated maturity to be transferred to the Special Reserve Fund.

The Bond Fund and related Accounts shall be maintained with the Trustee Bank.

D. The University of Oklahoma Utility System Reserve Bonds, Special Reserve Fund (the "Special Reserve Fund") shall be used to receive surplus monies contained in a Project Fund upon completion of the project, periodic transfers of surplus monies from the Service Unit Fund and/or upon direction of the Board of Regents, other surplus monies as may be permitted. Upon proper authorization of an official of the University designated by the Board of Regents, the Special Reserve Fund shall be used as follows:

- (1) To pay the principal and/or interest requirements on the Bonds due and payable on the next principal or interest payment date, in whole or in part, through transfers to the Principal and Interest Account of the Bond Fund;
- (2) To purchase Bonds on the open market through transfers to the Principal and Interest Account of the Bond Fund;
- (3) To redeem Bonds prior to stated maturity through transfers to the Principal and Interest Account of the Bond Fund;
- (4) Upon issuance of additional Bonds, to adjust the minimum balance required in the Bond Fund Reserve Account as a result of the issuance of such additional bonds;
- (5) To pay the costs of maintaining, improving and operating the System through transfer to the Service Unit Fund; or
- (6) To be used for any other lawful purpose of the University.

The Special Reserve Funds shall be maintained with the Trustee Bank.

## FLOW OF FUNDS

As the Gross Revenues derived from the System are received, they shall be deposited in accordance with state law in the Service Unit Fund maintained with the Office of the State Finance and the Treasurer of the State of Oklahoma. Monies in the Service Unit Fund shall be drawn upon or allocated in the following order of priority:

- A. On or before the fifteenth (15th) day of the month next preceding the month principal and/or interest is due on the Bonds, and from the first revenues available, the Board of Regents shall provide for and make transfers from the Service Unit Fund to the Principal and Interest Account of the Bond Fund, of an amount equal to one-half (1/2) of the principal due on the next principal payment date for each Series of Bonds, and the semi-annual interest requirements due on the next interest payment date for each Series of Bonds. Adjustment of such transfers may be made for other surplus balances in the Principal and Interest Account, or if the first transfer is greater or less than twelve (12) months preceding the next principal payment date or greater or less than six (6) months preceding the next interest payment date.
  - (1) If the monies contained in the Principal and Interest Account of the Bond Fund on or before the fifteenth (15th) day of the month next preceding the month principal and/or interest is due on the Bonds are not sufficient to make the required principal and/or interest payments, the Trustee Bank shall transfer or demand from the University the additional amounts required from the following funds or accounts, in the following order:
    - (a) The Special Reserve Fund;
    - (b) The Service Unit Account maintained by the University as an Operating account for the respective facilities of the System;
    - (c) The Bond Fund Reserve Account.
- B. If the Bond Fund Reserve Account has been depleted through withdrawals, the Board of Regents shall cause the amount remaining in the Service Unit Fund, after the required transfers to the Principal and Interest Account of the Bond Fund, on or before the fifteenth (15th) day of the month next preceding the month principal and/or interest is due on the Bonds, to be transferred to the Bond Fund Reserve Account so that the required minimum balance of the Account is re-established within no more than thirty-six (36) months from the date of the original depletion.
- C. On the last day of June and December of each year, after the required transfers in paragraph A and B have been made, the Board of Regents may transfer any monies remaining in the Service Unit Fund to the Special Reserve Fund.

## PURCHASE OF BONDS ON THE OPEN MARKET

Whenever there is in the Principal and Interest Account of the Bond Fund a surplus, not including any capitalized principal or interest amounts, in excess of the amount of principal and interest becoming due within the next twelve (12)



months, and the Bond Fund Reserve Account has no insufficiency in required monthly transfers or is fully replenished if any payments have been made therefrom, the excess may be used by the Board of Regents to retire Bonds prior to maturity, either through redemption or the purchase thereof on the open market at the price not in excess of the next applicable call price of any Bonds which may be redeemed, exclusive of accrued interest.

#### ADDITIONAL BONDS

If and to the extent necessary to provide additional funds for completing payment of the cost of any project defined in a Series Bond Resolution, the Board of Regents may issue additional parity bonds in a total principal amount not exceeding five percent (5%) of the principal amount of the Series of Bonds issued for such a project or \$100,000, whichever is greater, which Bonds may be issued under and secured by the General Bond Resolution without additional qualification.

The Board of Regents may also issue additional Bonds payable from the revenues derived from the System pari passu with the Bonds provided:

- A. The improvements and/or additions to be built or acquired from the proceeds of the additional pari passu Bonds shall be made a part of the System and its or their revenues are pledged as additional security for the Bonds.
- B. The Board of Regents are not at the time of the issuance of the additional pari passu Bonds in default as to any covenant, condition, or obligation prescribed by the General Bond Resolution and that each of the Funds and Accounts created in the General Bond Resolution shall contain the amount of money then required to be on deposit.
- C. The Net Pledged Revenues for the fiscal year or twelve month period next preceding the issuance of additional pari passu Bonds are certified by an independent certified public accountant employed by the Board of Regents or the Chief Financial Officer of the University to have been at least equal to one and twenty-five hundredths (1.25) times the average annual debt service requirement on all Bonds then outstanding and payable from the pledge revenues; in making this computation the final maturities of each Series of Bonds shall be reduced by the proportionate amount in the Bond Fund Reserve Account allocated to the Series and by any amount yet to be paid pursuant to monthly required installment payments to establish a minimum required balance.
  - (1) As used in the General Bond Resolution, the term "Net Pledged Revenues" shall mean the collection of pledged gross revenue generated by the University of Oklahoma Physical Plant Department Utility System Service Unit, investment earnings on debt service funds available for investment, and other revenues pledged under the General Bond Resolution, excluding any proceeds of eminent domain, insurance policies and the sale of property or other assets.
  - (2) In preparing computations to determine Net Pledged Revenues for certification or estimate, actual pledged revenues for any period may be adjusted to reflect the result of any changes in pledged revenues or other charges, provided such changes are made effective at or prior to the issuance of the additional Bonds.

- D. The estimated earnings of the improvements and/or additions to be constructed with the proceeds of such additional pari passu Bonds, when added to the estimated future Net Pledged Revenues shall equal at least one and twenty-five hundredths (1.25) times the average annual debt service requirement on all Bonds then outstanding and payable from the pledged revenues of the System and on the additional pari passu Series of Bonds to be issued; in making this computation the final maturities of each Series of Bonds shall be reduced by the proportionate amount in the Bond Fund Reserve Account allocated to the Series and by any amount yet to be paid pursuant to monthly required installment payments to establish a minimum required balance. Such estimate shall be made by a recognized Management Consultant or by the Chief Financial Officer of the University and approved by the President of the University and the Board of Regents.
- E. The monies in the Bond Fund shall be used for the payment of the principal and interest requirements of all Bonds equally. In the event additional Bonds are issued pari passu with the Bonds, as herein provided, the Series Resolution authorizing additional Bonds shall provide for any identical Flow of Funds as heretofore prescribed, and shall specify that all revenue deposited into the Funds and Accounts already established shall be commingled or if there is more than one Trustee Bank the monies shall be considered to be commingled for the benefit of all the holders of the Bonds. It shall provide for payment of such sums into the Bond Fund Reserve Account as an additional reserve, so that the Bond Fund Reserve Account will in not more than five (5) years after the expiration of any period of capitalized principal or interest contain a balance of not less than the maximum annual principal and interest requirement on all Bonds, exclusive of the final maturity for which a reserve or other non-recurring funds are established for such Series of Bonds.
- F. If it is required in a Series Bond Resolution authorizing subsequently issued bonds pari passu with this issue of Bonds, that surplus revenues to be used to accelerate retirement of debt, such provisions shall apply on a pro rata basis to all Bonds.

Nothing shall prevent the Board of Regents from issuing refunding bonds payable from the pledged income, nor prevent the Board of Regents from issuing additional bonds payable from and constituting a lien, pledge, or charge on the pledged income junior and inferior to the Bonds.

#### ARBITRAGE

Notwithstanding any of the provisions hereof, monies in the various funds and accounts created in the General Bond Resolution shall not be allowed to accumulate or be invested in a manner which would result in the Bonds constituting "arbitrage bonds" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended.

#### INVESTMENTS

Monies contained in the Project Fund shall be continuously invested and reinvested in direct obligations of the United States of America, or in obligations the principal and interest of which are unconditionally guaranteed by the United States of America or in certificates of deposit which are collaterally

secured as are other public funds, that shall mature not later than the respective dates, as estimated, when the monies in that Fund shall be required for the purposes intended.

Monies contained in the Bond Fund and the Special Reserve Fund shall be continuously invested and reinvested by the Trustee Bank at the direction of the Board of Regents in securities that shall mature in a manner consistent with the use of the monies contained in such Funds but within no more than five (5) years. These monies may be invested in direct general obligations of, or obligations which are unconditionally guaranteed by, the United States of America; bonds, debentures, or notes issued by any of the following agencies: Bank for Cooperatives, Federal Land Banks, or Federal National Mortgage Association, including Participation Certificates; Public Housing Bonds, Temporary Notes, or Preliminary Loan Notes, fully secured by contracts with the United States of America; full faith and credit direct and general obligations of any state, or unlimited tax direct and general obligations of any political subdivision thereof, to the payment of which the full faith and credit of such political subdivision is pledged, provided that at the time of purchase such obligations are rated in any of the three highest rating categories by a nationally recognized bond rating agency and are legal investments for fiduciaries in both New York and Oklahoma; and bank savings accounts, or time certificates of deposits, or certificates of deposit, or repurchase agreements, including those issued by the Trustee Bank, provided that such accounts, certificates or agreements are collaterally secured by securities which themselves are, after consideration of Federal Deposit Insurance Corporation coverage, previously described as being eligible and have a market value at least equal to the amount held in such bank savings account or held under such certificates of deposit.

Interest earned on the investment of the Project Fund; the Principal and Interest Account and the Bond Fund Reserve Account of the Bond Fund; and the Special Reserve Fund shall be deposited in the Account or Fund from which it was derived. When not required to meet requirements as set out in the General Bond Resolution the investment income and other monies contained in the Bond Fund Reserve Account in excess of the minimum balance required in that Account, may at the discretion of the Board of Regents, be transferred to the Principal and Interest Account to reduce principal and interest requirements or to effect the purchase of redemption of Bonds prior to stated maturity or be transferred to the Special Reserve Fund.

#### DEPOSITORY OF FUNDS AND SECURITY FOR DEPOSITS

The Project Fund and the Service Unit Fund maintained by the University as an operating account for the respective facilities of the System shall be maintained by the Treasurer of the State of Oklahoma. The Bond Fund, including the Principal and Interest Account and the Bond Fund Reserve Account, and the Special Reserve Fund shall be maintained with the Trustee Bank as special trust funds for the benefit of the holders of the Bonds and shall not be subject to lien or attachment by any creditors of the Board of Regents or the University. The money in those Funds shall be continuously secured as are deposits of the State of Oklahoma or in the manner prescribed by Federal Law for securing trust funds, which qualified securities shall have a market value of not less than the total amounts on deposit in those Funds.

The Trustee Bank shall, in due season prior to the dates on which principal and interest fall due, make proper arrangements with any bank or agency, which is serving as the additional paying agent for the Bonds, in order that all Bonds and coupons shall be paid promptly upon presentation at either place of payment.

## PARTICULAR COVENANTS

The Board of Regents covenants and agrees in the General Bond Resolution to the following:

- A. It shall punctually pay all principal, interest and redemption premium, if any, when due on the Bonds and will faithfully observe and perform all agreements, covenants, and obligations to be performed under the General Bond Resolution.
- B. It shall not create any pledge, lien, charge, or other encumbrance upon the pledged income, superior to the liens and pledges created by the General Bond Resolution.
- C. It shall set utility rates and collect revenues for the consumption of the utilities provided to users such that total revenues will be sufficient to permit the payment of the debt service requirements on the Bonds and any other requirements specified under the General Bond Resolution.
- D. It shall proceed with all reasonable dispatch to complete any project funded with the proceeds of Bonds; shall pay or cause to be paid any governmental charges lawfully imposed on the System and will keep the System free from all judgments, mechanics' and materialmen's liens and all other encumbrances; shall at all times operate and maintain, or provide for the operation and maintenance of, the System in an efficient manner and at a reasonable cost, so that at all times the business of operating the System shall be properly and advantageously conducted; shall not maintain or operate, nor permit to be maintained or operated, facilities which will diminish the revenues to be received from the operation of the System; and shall at all times keep the System in good repair, working order, and condition; shall make all necessary repairs, renewals, replacements, additions, extensions, and betterments thereto; and shall pay the costs of such activities from legally available sources of the University.
- E. It shall keep the System, including its equipment and furnishings, reasonably and continuously insured through fire and extended coverage insurance against loss or damage by fire, lightning, windstorm, explosion and other hazards in amounts sufficient to provide the full insurable value of the damaged property. In case of loss, the proceeds of the insurance shall be promptly applied to the repair or restoration of the damaged or destroyed property and contents to their former condition or deposited in the Principal and Interest Account of the Bond Fund to be applied, with any other money legally available for such purposes, to the retirement of the Bonds. The Board of Regents shall also carry Use and Occupancy, or similar type, insurance that is reasonably available in an amount sufficient to enable the Board of Regents to deposit in the Bond Fund, out of the proceeds of such insurance, an amount equal to the sum which would have been normally available for deposit in such Fund during the period in which the facility is not available for use. All proceeds derived from use and occupancy policies shall be deposited in the Principal and Interest Account of the Bond Fund. Each such insurance policy shall be acceptable to the Trustee Bank, and shall contain a loss payable clause making any loss thereunder payable to the Trustee Bank for deposit in the Principal and Interest Account of the Bond Fund as its interest may appear.

- F. It shall keep proper books of record and account (separate and apart from all other records and accounts) in which complete and correct entries shall be made of all transactions relating to the allocation and application of the revenues of the System and the operation and maintenance thereof, and such books shall be available for inspection by the Trustee Bank and the holder of any of the Bonds at reasonable hours and under reasonable conditions. Not more than six (6) months after the close of each fiscal year, the Board agrees to furnish to the Trustee Bank, the Financial Consultant, and each holder of any of the Bonds who may so request, a complete operating, income and fund balance statement covering the Gross Revenues and disbursements thereof for such year, certified by a firm of certified public accountants to be employed by the Board of Regents.
- G. It may at any time, sell, destroy, abandon, or otherwise dispose of or alter any project constructed or acquired with the proceeds of Bonds, provided that it is in full compliance with all covenants and undertakings in connection with all of its Bonds or other obligations then outstanding and payable from the pledged income and if:
- (1) The facilities or property to be abandoned or destroyed are certified by the President of the University to be no longer economically usable and the facilities or property are replaced by other facilities or property of at least equal value or utility, or other provision is made which benefits the System.
  - (2) The proceeds from the sale or other dispositions are applied to purchase or redemption of outstanding Bonds in accordance with the provision of the General Bond Resolution by deposit of such proceeds in the Principal and Interest Account of the Bond Fund.
- H. If any equipment or furnishings included in the System or any project, constructed or acquired with the proceeds of Bonds, is sold, destroyed, abandoned or otherwise disposed of, it shall be replaced with equipment of not less than equal value and utility.
- I. Upon the occurrence of an event of default as defined in the general Bond Resolution, among other things, the holders of fifty-one percent (51%) of the principal amount of the Bonds then outstanding may, or the Trustee Bank shall upon written request of the holders of the fifty-one percent (51%) of the principal amount of the Bonds then outstanding, apply to a court of competent jurisdiction to have a temporary trustee or trustees appointed to enter into possession of the System and to operate it, manage it and collect the revenues therefrom, including the exercise of its discretion in the establishment of rates, until the default is remedied or until all Bonds are retired or provision for payment is made, whichever occurs first. The temporary trustee or trustees shall receive a reasonable fee for services rendered as may be fixed by the court and shall be reimbursed for any expenses incurred, to be paid from the revenues of the System.

#### CONCERNING THE TRUSTEE BANK

The Board of Regents by any Series Resolution may appoint a Trustee Bank or co-trustees. In the event a co-trustee is appointed, the co-trustee may establish and maintain the Bond Fund and the Special Reserve Fund to contain a

proportionate amount attributable to a particular series of Bonds. Regardless of the appointment of co-trustees and the holding of the Bond Fund and the Special Reserve Fund by more than one trustee bank, the monies in those Funds and their Accounts shall be considered commingled and shall be administered accordingly.

In the General Bond Resolution, the exculpatory clauses will be limited to the following:

- A. The Trustee Bank shall be entitled to rely upon the advice of attorneys, professional architects, and accountants, and any act or omission to act done or omitted by the Trustee Bank in reliance upon such advice and counsel shall not constitute negligence.
- B. The Trustee Bank shall not be required to take notice or deemed to have notice of any state of default hereunder unless such notice be given in writing by a Bondholder.
- C. The Trustee Bank may execute any trusts or powers hereunder and perform any duties hereunder through employees, attorneys, agents or servants, and it shall be entitled to advice of counsel in regard thereto, and may receive or recover any reasonable costs or expenses in connection therewith.
- D. The Trustee Bank shall not be responsible for doing or performing any thing or act which the Board of Regents shall have covenanted to do or perform, or for any other compliance with any covenant by the Board of Regents, or for the sufficiency of the security for the Bonds issued, or otherwise as to maintenance of such security; nor shall the Trustee Bank be bound to ascertain or inquire as to the performance of any covenant, condition or agreement by the Board of Regents, but it may require full information and advice in regard to any of the foregoing.
- E. The Trustee Bank shall not be accountable for the use of any Bonds authenticated or delivered, or for any of the proceeds of such Bonds after the same shall have been paid out by it; and the holders of the Bonds shall not be entitled to any interest from the Trustee Bank on funds in its hands for payment of the same.
- F. The Trustee Bank shall not be accountable for acting upon any notice, requisition, request, consent, certificate, order, affidavit or other information believed by it to be genuine and correct and to have been signed or sent by the person or persons proper to have done so.
- G. The Trustee Bank shall not be bound to recognize any person or persons as a Bondholder or Bondholders or to take action at his or their request, unless such Bond or Bonds be deposited with the Trustee Bank or submitted to it for inspection; and any action taken by the Trustee Bank pursuant to the General Bond Resolution upon request or authority of the Bondholders shall be conclusive and binding upon all future owners of the same Bond or any Bonds issued in exchange therefor or in place thereof.

#### DEFEASANCE

If the Board of Regents shall pay, or cause to be paid, the principal or

redemption price, if applicable, and interest due or to become due on all Bonds and coupons, then the pledge of any revenues and other monies and securities pledged under the General Bond Resolution and all covenants, agreements and other obligations of the Board of Regents to the Bondholders shall thereupon terminate and be discharged, and the Trustee Bank or co-trustees shall pay over or deliver to the Board of Regents all monies or securities held by them pursuant to the General Bond Resolution which are not required for the payment of Bonds and coupons, and such Bonds shall cease to be entitled to any lien or security under the General Bond Resolution.

Bond or coupons for which monies shall have been set aside and held in trust for the payment or redemption thereof at the maturity or redemption date, shall be deemed to have been paid within the meaning of the above paragraph under certain conditions in the General Bond Resolution.

#### MISCELLANEOUS

If at any future date, it is determined by the Attorney General of the State of Oklahoma or any court of competent jurisdiction that under existing statutes any funds or accounts created by the General Bond Resolution or a Series Bond Resolution should appropriately be maintained by the Treasurer of the State of Oklahoma, then such funds or accounts shall be transferred from the Trustee Bank accordingly.

All actions discretionary with the Board of Regents with regard to transfers of monies, investment of funds and purchase of Bonds on the open market may be accomplished by the Chief Financial Officer of the Norman Campus, with the approval of the Chief Executive Officer of the Norman Campus, as agents for the Board of Regents without obtaining formal approval of the Board of Regents.

#### SUMMARY OF CERTAIN PROVISIONS OF THE SERIES 1984 BOND RESOLUTION

The following is a summary of certain provisions of the Utility System, Series 1984 Bond Resolution, dated as of \_\_\_\_\_, 1984, between the University and the Trustee Bank, as Trustee for the Bondholders. Reference is made to the Series 1984 Bond Resolution for a complete recital of its terms and provisions.

#### GENERAL

The Series 1984 Bonds will be authorized and issued under the terms of a Series 1984 Bond Resolution. The dates, maturities, terms of redemption and other particulars of the Series 1984 Bonds are set out in the Sections of the Official Statement entitled "Maturity Schedule" and "The Bonds."

#### BOND PROCEEDS

The proceeds of the Series 1984 Bonds, excluding accrued interest, if any, shall be deposited with the Treasurer of the State of Oklahoma to the credit of a special fund entitled the "University of Oklahoma Utility System Revenue Bonds, Series 1984 Project Fund" (the "Project Fund"). Monies contained in the Project Fund shall be drawn upon, with proper authorization, for the following purposes:

- A. To pay the professional and miscellaneous expenses incidental and necessary to the issuance of the Series 1984 Bonds;

- B. To transfer to the Trustee Bank the amount of capitalized interest specified toward the Series 1984 Bonds interest requirements for deposit into the Principal and Interest Account of the Bond Fund;
- C. To transfer to the Trustee Bank the amount necessary to equal the maximum annual principal and interest requirement on the Series 1984 Bonds for deposit into the Reserve Account of the Bond Fund;
- D. To pay construction and acquisition costs for and to complete the development of the energy conservation improvements and expansion projects; and
- E. When all costs pertaining to the project have been paid, any monies remaining in the Project Fund shall be transferred to the Trustee Bank for deposit into the Special Reserve Fund.

Accrued interest shall be paid to the Trustee Bank at the time the Series 1984 Bond proceeds are received. The Trustee Bank shall deposit such accrued interest in the Principal and Interest Account of the Bond Fund.

#### BOND FUND RESERVE ACCOUNT

Upon delivery of and payment for the Series 1984 Bonds, an amount equal to the maximum annual principal and interest requirement on the Series 1984 Bonds shall be transferred to the Trustee Bank from funds available to the University from the Bond proceeds. Such amount transferred shall be deposited into the Bond Fund Reserve Account. Such amount shall be maintained as a minimum balance and may be used to prevent any default in paying the principal of and interest on the Series 1984 Bonds or to pay the final maturing Series 1984 Bonds and interest thereon.

#### REDEMPTION OF BONDS

The Series 1984 Bonds shall be subject to redemption prior to maturity as set forth under the "Redemption Provisions" heading in the section of this Official Statement entitled "The Bonds."

#### ADDITIONAL BONDS

The General Bond Resolution provides that if and to the extent necessary to provide additional funds to complete the payment of costs of construction of the energy conservation improvement and additions, the Board of Regents may issue additional parity bonds in a total principal amount not exceeding five percent (5%) of the principal amount of the Series 1984 Bonds, without additional qualification.

#### TAX EXEMPTION

(Copy to Come)

#### LEGALITY FOR INVESTMENT

(Copy to Come)

#### LEGAL MATTERS SUBJECT TO APPROVAL OF COUNSEL

(Copy to Come)



RATINGS

(Copy to Come)

MISCELLANEOUS

The foregoing summaries of the provisions of the act, the Resolution, the Series 1984 Bonds, and the Resolution do not purport to be complete and are made subject to the detailed provisions thereof to which reference is hereby made. Copies of the above and of the most recent financial statements of the University are available for inspection at the office of the Controller of the University of Oklahoma, Norman, Oklahoma.

The comparative financial statements of the University of Oklahoma for the years ended June 30, 1983, included in Appendix A to this Official Statement, have been examined by Price Waterhouse and Company, independent certified public accountants, to the extent set forth in their opinion.

The execution and delivery of this Official Statement have been duly authorized by the Board of Regents of the University of Oklahoma.

BOARD OF REGENTS OF THE UNIVERSITY

OF

OKLAHOMA

By/s/ \_\_\_\_\_  
President

February, 1984

THE UNIVERSITY OF OKLAHOMA

NORMAN CAMPUS

Financial Statements  
and Additional Information

\* \* \* \* \*

June 30, 1983 and 1982

**DRAFT**

October 14, 1983

To the Board of Regents of  
The University of Oklahoma

In our opinion, the accompanying balance sheets and the related statements of changes in fund balance and current funds revenue, expenditures and other changes in fund balance present fairly the financial position of The University of Oklahoma Norman Campus at June 30, 1983 and 1982, and the changes in fund balance and the current funds revenue, expenditures and other changes in fund balance for the years then ended, in conformity with generally accepted accounting principles consistently applied. Our examinations of these statements were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Our examinations were made for the purpose of forming an opinion on the basic financial statements taken as a whole. Schedules 1 through 4 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the examinations of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**DRAFT**

THE UNIVERSITY OF OKLAHOMA

NORMAN CAMPUS

BALANCE SHEET

June 30, 1983 and 1982  
(in thousands)

<u>ASSETS</u>	<u>1983</u>	<u>1982</u>	<u>LIABILITIES AND FUND BALANCE</u>	<u>1983</u>	<u>1982</u>
	<u>Current funds</u>				
Educational and general:			Educational and general:		
Cash	\$ 1,740	\$ 3,006	Accounts payable	\$ 1,592	\$1,611
Accounts receivable, less allowance for doubtful accounts of \$187 and \$170	1,000	842	Accrued vacation	2,538	2,320
	<u>2,740</u>	<u>3,848</u>	Deferred revenue	717	664
			Fund balance	<u>(2,107)</u>	<u>(747)</u>
				<u>2,740</u>	<u>3,848</u>
Auxiliary enterprises:			Auxiliary enterprises:		
Cash	5,155	5,930	Accounts payable	1,959	1,906
Certificates of deposit	9,330	4,163	Accrued vacation	1,166	1,059
Accounts receivable, less allowance for doubtful accounts of \$417 and \$332	1,774	1,686	Student deposits	380	399
Notes receivable from affiliates	80	90	Deferred revenue	5,940	5,280
Inventories (Note 1)	4,805	4,910	Fund balance	11,928	8,321
Prepaid expenses	152	109			
Other investments	77	77			
	<u>21,373</u>	<u>16,965</u>		<u>21,373</u>	<u>16,965</u>
Research and other sponsored programs (Note 5):			Research and other sponsored programs (Note 5):		
Cash	3,768	3,161	Accounts payable	866	866
Accounts receivable	2,865	2,821	Accrued vacation	584	512
	6,633	5,982	Fund balance	5,183	4,004
	<u>\$10,746</u>	<u>\$26,795</u>		<u>6,633</u>	<u>5,982</u>
				<u>\$10,746</u>	<u>\$26,795</u>

See accompanying notes to financial statements.

**DRAFT**

THE UNIVERSITY OF OKLAHOMA

NORMAN CAMPUS

BALANCE SHEET

June 30, 1983 and 1982  
(in thousands)

<u>ASSETS</u>	<u>1983</u>	<u>1982</u>	<u>LIABILITIES AND FUND BALANCE</u>	<u>1983</u>	<u>1982</u>
	<u>Loan funds</u>				
Loans to students, less allowance for doubtful loans of \$799 and \$775 (Note 2)	\$10,521	\$10,085	Fund balance	\$10,949	\$10,448
Investments, at cost (market value \$647 and \$508)	428	363			
	<u>\$10,949</u>	<u>\$10,448</u>		<u>\$10,949</u>	<u>\$10,448</u>
	<u>Endowment funds</u>				
Investments, at cost . . . fair market value at date of gift (market value \$3,572 and \$3,304)	\$ 3,138	\$ 2,757	Fund balance	31,353	\$27,819
Equity in state school land funds (Note 3)	28,215	25,062			
	<u>\$31,353</u>	<u>\$27,819</u>		<u>\$31,353</u>	<u>\$27,819</u>

DRAFT

See accompanying notes to financial statements.

THE UNIVERSITY OF OKLAHOMA

NORMAN CAMPUS

BALANCE SHEET

June 30, 1983 and 1982  
(in thousands)

<u>ASSETS</u>	<u>1983</u>	<u>1982</u>	<u>LIABILITIES AND FUND BALANCE</u>	<u>1983</u>	<u>1982</u>
		<u>Plant funds</u>			
Unexpended funds:			Unexpended funds:		
Cash	\$ 4,196	\$ 4,452	Accounts payable	\$ 566	\$ 1,034
U.S. government securities, at cost (approximates market)	1,208	734	Fund balance	4,894	4,207
Investments, at cost (approximates market)	56	55			
	<u>5,460</u>	<u>5,241</u>		<u>5,460</u>	<u>5,241</u>
Funds for debt service:			Funds for debt service:		
Cash	1,470	1,212	Fund balance (Note 4)	8,442	8,378
U.S. government securities, at cost (approximates market)	6,457	6,678			
Funds held by the Foundation (Note 4)	515	488			
	<u>8,442</u>	<u>8,378</u>		<u>8,442</u>	<u>8,378</u>
Investment in plant (Note 1):			Investment in plant:		
Land	6,706	5,203	Note payable to the Foundation	100	100
Buildings	153,930	148,696	Revenue bonds payable (Note 4)	33,233	34,378
Equipment	60,948	52,774	Mortgage notes payable (Note 4)	942	1,077
Nonstructural improvements	9,831	7,933	Fund balance	197,140	179,051
	<u>231,415</u>	<u>214,606</u>		<u>231,415</u>	<u>214,606</u>
	<u>\$245,317</u>	<u>\$228,225</u>		<u>\$245,317</u>	<u>\$228,225</u>
		<u>Agency funds</u>			
Cash	\$ 211	\$ 280	Funds held in custody for others	\$ 880	\$ 903
Investments, at cost (market value \$827 and \$658)	669	623			
	<u>\$ 880</u>	<u>\$ 903</u>		<u>\$ 880</u>	<u>\$ 903</u>

See accompanying notes to financial statements.

THE UNIVERSITY OF OKLAHOMA

NORMAN CAMPUS

STATEMENT OF CURRENT FUNDS REVENUE,  
EXPENDITURES AND OTHER CHANGES IN FUND BALANCE

Years ended June 30, 1983 and 1982  
(in thousands)

	<u>Educational and general</u>		<u>Auxiliary enterprises</u>		<u>Research and other sponsored programs (Note 5)</u>		<u>Total current funds</u>	
	<u>1983</u>	<u>1982</u>	<u>1983</u>	<u>1982</u>	<u>1983</u>	<u>1982</u>	<u>1983</u>	<u>1982</u>
<b>Revenue:</b>								
Educational and general:							\$ 15,123	\$ 13,231
Tuition and fees	\$15,123	\$13,231					67,855	58,180
State appropriations	67,855	58,180					9,020	8,153
Sales, reimbursements and other sources	9,020	8,153						
Research and other sponsored programs (Note 5):					\$25,161	\$17,952	25,161	17,952
Federal sources					1,954	2,572	1,954	2,572
State and private sources					529	339	529	339
Other sources			\$51,718	\$40,174			51,718	40,174
Auxiliary enterprises (Note 4)			51,718	40,174	27,044	20,863	171,360	140,601
	<u>91,998</u>	<u>79,534</u>						
<b>Expenditures:</b>								
Educational and general:							9,727	8,420
Administration and general	9,727	8,420					48,363	41,274
Instruction and departmental research	48,363	41,274					8,321	6,754
Organized research	8,321	6,754					6,785	6,334
Extension and public service	6,785	6,334					5,092	4,752
Libraries	5,092	4,752					12,483	10,905
Operations and maintenance of plant	12,483	10,905					804	624
Data processing services	804	624					1,783	1,420
Geological survey	1,783	1,420						
Research and other sponsored programs (Note 5):					9,798	8,536	9,798	8,536
Sponsored research					17,022	11,506	17,022	11,506
Other sponsored programs			45,300	34,534			45,300	34,534
Auxiliary enterprises			45,300	34,534	26,820	20,042	165,478	135,059
	<u>93,358</u>	<u>80,483</u>						
<b>Excess (deficit) of revenue over expenditures</b>	<u>(1,360)</u>	<u>(919)</u>	<u>6,418</u>	<u>5,640</u>	<u>824</u>	<u>821</u>	<u>5,882</u>	<u>5,542</u>

See accompanying notes to financial statements.

THE UNIVERSITY OF OKLAHOMA

NORMAN CAMPUS

STATEMENT OF CURRENT FUNDS REVENUE,  
EXPENDITURES AND OTHER CHANGES IN FUND BALANCE

Years ended June 30, 1983 and 1982  
(in thousands)

	Educational and general		Auxiliary enterprises		Research and other sponsored programs (Note 5)		Total current funds	
	1983	1982	1983	1982	1983	1982	1983	1982
Excess (deficit) of revenue over expenditures (continued from previous page)	\$ (1,360)	\$ (919)	\$ 6,418	\$ 5,640	\$ 824	\$ 821	\$ 5,882	\$ 5,542
Excess (deficit) of restricted receipts over transfers to revenue					(245)	60	(245)	60
Transfers among funds:								
For debt service:								
Mandatory			(1,646)	(1,315)			(1,646)	(1,315)
Nonmandatory			(1,815)	(1,634)			(1,815)	(1,634)
From plant funds			650	1,090			650	1,090
Other		10		113		(123)		
		10				(123)		
			(2,811)	(1,746)			(2,811)	(1,859)
Net increase (decrease) for the year	(1,360)	(909)	3,607	3,894	579	758	2,826	3,743
Fund balance at beginning of year	(747)	162	8,321	4,427	4,604	3,846	12,178	8,435
Fund balance at end of year	\$ (2,107)	\$ (747)	\$ 11,928	\$ 8,321	\$ 5,183	\$ 4,604	\$ 15,004	\$ 12,178

See accompanying notes to financial statements.



THE UNIVERSITY OF OKLAHOMA

NORMAN CAMPUS

STATEMENT OF CHANGES IN FUND BALANCE

LOAN FUNDS

Years ended June 30, 1983 and 1982  
(in thousands)

	<u>1983</u>	<u>1982</u>
Fund balance at beginning of year	<u>\$10,448</u>	<u>\$ 9,768</u>
Additions:		
Principal contributions (Note 2)		
Federal sources	576	658
Private sources - matching funds	76	14
Interest received	170	165
Investment income and other	50	67
	<u>872</u>	<u>904</u>
Deductions:		
Cancellations of student loans (Note 2)	109	61
Provision for doubtful loans	156	83
Administrative expenses	106	80
	<u>371</u>	<u>224</u>
Fund balance at end of year	<u>\$10,949</u>	<u>\$10,448</u>

See accompanying notes to financial statements.

THE UNIVERSITY OF OKLAHOMA

NORMAN CAMPUS

STATEMENT OF CHANGES IN FUND BALANCE

ENDOWMENT FUNDS

Years ended June 30, 1983 and 1982  
(in thousands)

	<u>1983</u>	<u>1982</u>
Fund balance at beginning of year	<u>\$27,819</u>	<u>\$23,630</u>
Additions:		
Contributions	89	105
Earnings on investments	240	193
Gain on sale of investments	126	68
State school land funds (Note 3):		
Net increase in equity	3,153	3,869
Earnings	<u>2,659</u>	<u>2,548</u>
	<u>6,267</u>	<u>6,783</u>
Deductions:		
Transfers to plant funds for plant expansion	2,659	2,557
Other	74	37
	<u>2,733</u>	<u>2,594</u>
Fund balance at end of year	<u>\$31,353</u>	<u>\$27,819</u>

See accompanying notes to financial statements.

THE UNIVERSITY OF OKLAHOMA

NORMAN CAMPUS

STATEMENT OF CHANGES IN FUND BALANCE

PLANT FUNDS

Years ended June 30, 1983 and 1982  
(in thousands)

	Unexpended funds		Funds for debt service		Investment in plant		Total plant funds	
	1983	1982	1983	1982	1983	1982	1983	1982
Fund balance at beginning of year	\$ 4,207	\$15,495	\$ 8,378	\$ 10,205	\$179,051	\$144,092	\$191,636	\$169,792
State appropriations	5,082	4,145					5,082	4,145
Earnings on investments	96	331	398	388			494	719
Transfers from other funds:								
Current funds	388		3,461	2,949			3,849	2,949
Endowment funds (Note 3)	2,659	2,557					2,659	2,557
Retirement of indebtedness			(1,280)	(2,164)	1,280	2,164		
Interest on indebtedness			(1,892)	(2,000)			(1,892)	(2,000)
Capitalized interest								
Private gifts (Note 3)	4,095	7,034				483	4,095	7,517
Federal grant	1,487	73					1,560	73
Expended for plant facilities:								
Unexpended funds	(10,698)	(31,136)			10,698	31,136		
Debt service funds			(289)		289			
Current funds					7,334	5,563	7,334	5,563
Private gifts (Note 3)					348	3,333	348	3,333
Reimbursement to Foundation for capital additions (Note 3)	(2,422)						(2,422)	
Retirement of equipment					(1,860)	(2,012)	(1,860)	(2,012)
STEP monies pledged for debt service (Note 4)			316	90			316	90
Transfers to current funds			(650)	(1,090)			(650)	(1,090)
Revenue bonds transferred to investment in plant (Notes 1 and 4)		5,708				(5,708)		
Fund balance at end of year	\$ 4,894	\$ 4,207	\$ 8,442	\$ 8,378	\$197,140	\$179,051	\$210,476	\$191,636

See accompanying notes to financial statements.

THE UNIVERSITY OF OKLAHOMA

NORMAN CAMPUS

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of significant accounting policies:

The accompanying financial statements include the accounts of The University of Oklahoma Norman Campus, Law Center and Oklahoma Geological Survey (hereafter referred to collectively as the "University") which are agencies of the State of Oklahoma. Such financial statements have been prepared on an accrual basis in accordance with the principles of fund accounting for colleges and universities. These principles reflect limitations or restrictions on the use of resources available by classifying the specified activities or objectives into separate funds. For financial reporting purposes, similar funds have been combined. The fund groups used by the University are: current funds, loan funds, endowment funds, plant funds and agency funds.

The current funds, which are further classified into educational and general, auxiliary enterprises and research and other sponsored programs, includes those economic resources which are expendable for the purpose of performing the primary mission of the institution - instruction, research and public service - and the auxiliary enterprises necessary to support these functions. Research and other sponsored programs of the current fund includes restricted and unrestricted activities (see Note 5). Restricted current funds are reported as revenue and expenditures when expended for current operating purposes and are those monies stipulated by individual donors as to the purpose for which they can be expended. The statement of current funds revenue, expenditures and other changes in fund balance is a statement unique to educational institutions and presents only the financial activities of current funds related to the reporting period. It does not purport to present the results of operations or the net income or loss for the period as would a statement of income or a statement of revenue and expenses.

The loan funds group is designed to account for the resources available for loans to students (see Note 2).

The endowment funds group is made up of monies given by donors who have stipulated under terms of the gift instrument that the principal of each fund remain intact and that only the revenue generated from the investments can be expended for restricted or unrestricted purposes.

The plant funds group is used for acquisitions of long-lived assets and is divided into:

- 1) Unexpended funds - unexpended balances which will be converted to long-lived assets. Indebtedness incurred to finance plant construction will be included as a liability of the unexpended plant funds until the proceeds of the indebtedness are expended and the

projects are completed, at which time the expended amounts and the related debt will be transferred to the investment in plant.

- 2) Funds for debt service - funds to be used for debt service and retirement of debt.
- 3) Investment in plant - net value of all long-lived assets in service and construction in progress not included in unexpended plant funds.

The agency funds group accounts for resources held by the institution as custodian or fiscal agent for student organizations, individual students, or faculty and staff.

Physical properties are stated at cost (where purchased by the University or affiliated organizations of the University) or at estimated fair market value (where acquired by other than purchase) except for certain properties acquired from the United States government that are stated at nominal values. As permitted by generally accepted accounting principles, the University does not provide for depreciation of physical properties.

To the extent that current funds are used to finance plant assets, the amounts so provided are accounted for as: (1) expenditures (which appear as additions to investment in plant), in the case of normal replacement of movable equipment and library books; (2) mandatory transfers, in the case of required provisions for debt service; and (3) as transfers of a nonmandatory nature for all other cases.

Investments are recorded at cost; investments received by gift are carried at fair market value at the date of acquisition. Inventories are stated at the lower of cost or market, cost being determined principally on the basis of average cost. The market value amounts are equal to the fair market value of the marketable securities plus the cost of the non-marketable investments of each fund.

Employee vacation pay is accrued when earned by employees. The liability and cost incurred during the year are recorded in the current funds as accounts payable and current year expenditures, respectively. This method of accounting for employee vacation pay was adopted retroactively in fiscal year 1982.

The University is exempt from income taxes under Internal Revenue Code Section 501(c)(3); therefore, no provision for income taxes has been provided.

Note 2 - National Direct Student Loan Program:

Student loans made under the National Direct Student Loan Program ("NDSL") comprise in excess of 95% of the June 30, 1983 and 1982 balance of student loans receivable. Under this program, the federal government provides funds for approximately 90% of the student loans with the University providing the balance. Under certain conditions such loans can be forgiven at annual rates of 10% to 30% of the original balance up to maximums of from 50% to 100% of the original loan. The federal government reimburses the loan funds of the University 10% of amounts so forgiven.

Note 3 - Funds held in trust by others:

The Commissioners of the Land Office of the State of Oklahoma, as trustees for the benefit of state colleges and universities, administer funds designated as "Section 13" assets and "New College" assets. During the current year, the University's share of the equity in these assets increased \$3,154,000. The University has the right to annually receive 30% of the income produced by "Section 13" assets and 100% of the income produced by "New College" assets. The earnings so received (\$2,659,000 in 1983 and \$2,548,000 in 1982) may be used for the acquisition of buildings, equipment or other capital items. Under present state law, no part of the corpus of these funds can be distributed to the beneficiaries.

The University of Oklahoma Foundation, Inc. (the "Foundation") is a private foundation organized for the purpose of receiving and administering gifts intended for the benefit of the University, including the Health Sciences Center (a separate operation of The University of Oklahoma not included in the financial statements of the Norman Campus). At June 30, 1983, the Foundation had net assets of approximately \$52,738,000 which could be used for the benefit of the University and the Health Sciences Center. During 1983 and 1982 the Foundation expended on behalf of the University approximately \$13,245,000 and \$16,898,000, respectively, for facilities and equipment, salary supplements, general educational assistance and scholarships of which approximately \$6,964,000 and \$12,801,000, respectively, are reflected in the financial statements. The amounts not reflected herein represent direct Foundation expenditures for general university educational assistance.

In 1982, the expenditures by the Foundation on behalf of the University included \$2,231,000 expended for land and other costs for the Energy Center. The University reimbursed the Foundation for those expenditures during fiscal year 1983.

Note 4 - Revenue bonds and mortgage notes payable:

Revenue bonds are payable both as to principal and interest solely from the net revenue arising from housing and food services operations, athletic operations and certain student fees all of which are pledged under the bond indentures. Such net revenue and student fees are recorded as unrestricted current funds revenue and funding of debt service requirements are treated as mandatory or nonmandatory transfers to the funds for debt service. At June 30, 1983, \$6,846,000 of the funds held by trustees are restricted to the payment of principal and interest and \$1,596,000 to the repair and replacement of certain facilities or the payment of principal and interest.

In connection with the issuance of the \$5,800,000 Stadium System Revenue Bonds, Series 1979 the University pledged the donations received under the Stadium Expansion Renewal Program ("STEP") for debt service of such bonds. Such monies are received by the Foundation on behalf of the University and the unexpended amounts totalled \$515,000 and \$488,000 at June 30, 1983 and 1982, respectively. These donations are recorded as direct additions to funds for debt service inasmuch as the monies are restricted.

The net revenue for the years ended June 30, 1983 and 1982 for the Dormitory System Bonds of 1957/59 were less than the amount required under the related bond indenture. However, the University believes that this condition is not significant since: (1) the debt service funds at June 30, 1983 of \$919,000 on deposit with the trustee for the 1957/59 Bonds, plus expected future interest income, will be adequate to meet all future principal (\$793,000 at June 30, 1983) and interest payments; and (2) it is the intention of the University to utilize excess revenue from certain other bond systems to provide for deficiencies, if any, in complying with the debt service for the 1957/59 Bonds.

In regard to the revenue pledged for the debt service of the Student Facilities System of 1979 Bonds, all income of the System (comprising Goddard Health Center, Lloyd Noble Arena and Huston Huffman Physical Fitness Center) is pledged; however, management is of the opinion that for compliance reporting purposes in Schedule 3 of the Additional Information only certain student fees and certain revenue from the athletic department should be considered.

Mortgage notes payable are secured by an apartment complex. The notes bear interest at rates ranging from 6% to 7% per annum and mature at various dates from 1986 through 1991.

Maturities and interest requirements on revenue bonds and mortgage notes payable are as follows (in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1984	\$ 1,323	\$ 1,831	\$ 3,154
1985	1,393	1,751	3,144
1986	1,553	1,677	3,230
1987	1,594	1,587	3,181
1988	1,582	1,497	3,079
1989-1993	7,601	6,132	13,733
1994-1998	8,237	3,988	12,225
1999-2003	6,199	2,048	8,247
2004-2008	3,273	975	4,248
2009-2011	1,419	129	1,548
	<u>\$34,174</u>	<u>\$21,615</u>	<u>\$55,789</u>

Note 5 - Research and other sponsored programs:

Research and other sponsored programs are comprised of restricted and unrestricted activity; however, unrestricted revenue and expenditures are insignificant, except for indirect cost reimbursements of \$824,000 and \$821,000 for 1983 and 1982, respectively. In addition, indirect cost reimbursements of \$3,387,000 and \$2,509,000 are recorded in educational and general revenue for 1983 and 1982, respectively, and \$91,000 is recorded in auxiliary enterprises revenue for 1982. Total accumulated indirect cost reimbursements included in research and other sponsored programs for 1983 and 1982 are \$4,720,000 and \$3,921,000, respectively.

Note 6 - Retirement plans:

The University academic and nonacademic personnel are covered by various retirement plans depending on job classification. The plans available to University personnel include the Oklahoma Teachers Retirement System, Social Security and the Teachers Insurance and Annuity Association - College Retirement Equities Fund ("TIAA-CREF"). In addition, certain eligible employees, upon retirement, participate in the Supplemental Benefits Plan; if the previously mentioned plans do not provide the computed minimum amount, the University provides the difference under the Supplemental Benefits Plan.

The TIAA-CREF plan is non-contributory and is funded on a current basis. The Oklahoma Teachers Retirement System is a contributory plan which is funded directly by the State of Oklahoma.

The Supplemental Benefits Plan is non-funded and benefits do not vest to the participants until their retirement. Payments to eligible retirees are made through annual state budget appropriations; accordingly, such payments are expended when paid. No actuarial valuation of past service costs has been made on the Supplemental Benefits Plan.

Expenditures by the University for retirement plans were as follows (in thousands):

	<u>1983</u>	<u>1982</u>
TIAA-CREF	\$5,486	\$4,293
Supplemental Benefits Plan	470	442
	<u>\$5,956</u>	<u>\$4,735</u>

Note 7 - Contingencies:

The University is defendant in several lawsuits; however, University officials are of the opinion, based on advice of in-house legal counsel, that the ultimate outcome of all litigation will not have a material effect on the future operations or financial position of the University.



C. H. GUERNSEY & COMPANY  
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APPENDIX B

November 7, 1983

Board of Regents  
University of Oklahoma  
Norman, Oklahoma 73019

Subject: Engineer of Record Report

Energy Conservation and Utility Systems Improvement Project  
University of Oklahoma, Norman Campus

Gentlemen:

C. H. Guernsey & Company has conducted a comprehensive study of the University of Oklahoma, Norman Campus (the "University") in accordance with an Engineering Service Agreement dated April 21, 1982. The results of the study are documented in a written report which recommends specific improvements relating to the electric power, heating, and cooling systems of the University (collectively the "Utility System" or the "System") and outlines a long-range plan for the operation and phased expansion of the System corresponding with planned campus growth.

Implementation of the improvements and adoption of the long-range plan is recommended to reduce utility costs, conserve fuel resources, and provide for flexible and reliable utility service in the future. The recommended Utility System improvements and additions (the "Project") are feasible from an engineering and construction standpoint, have proven serviceable in similar applications, and are consistent with improvement and modernization programs that have recently been implemented for other utility systems.

Proceeds from the Utility System Revenue Bonds, Series 1984 (the "Bonds"), in principal amount of \$12,500,000 will be used to fund the estimated construction cost of the Project of \$9,986,000, together with debt reserves, capitalized interest, and issuance related costs. The estimated annual debt service that will be incurred by the issuance of the Bonds is \$1,456,954, based on an assumed interest rate of 10% and a 20-year amortization period. A net savings in annual utility expenditures after payment of this debt service is projected each year subsequent to completion of the Project, sufficient to reduce the revenues required to operate the Utility System by 16% to 20%.

## SUMMARY OF PROJECT

### Construction of Central Substation Facilities

A new central electric substation and associated facilities will enable the University to purchase power for all of the Norman Campus at a single metering location from Oklahoma Gas and Electric Company ("OG&E"), or other power supplier. The recommended new substation facilities will allow the University to take advantage of economical rates available to large power purchasers and reduce the need to rely on power produced at the University's power plant, most of which is generated at a higher cost. The improvement will reduce power costs by approximately 30%, conserve fuel resources, and lessen the University's future dependence on natural gas for electric power supply.

### Extension of the University's Electric Distribution System

The recommended extensions bordering the main campus will incorporate and centralize areas presently served by OG&E at over 70 metered locations. The improvements will provide a reliable source of electric power, purchased at a 30% lower cost at the new central substation, for the athletic complex, Parkview Apartments, Couch Tower, Oklahoma Center of Continuing Education, Kraettli Apartments, Yorkshire Apartments, Lloyd Noble Center, and other facilities on the south campus.

### Power Plant Improvements

The recommended improvements will maximize the capability of the University's power plant to generate electricity as a by-product of steam produced to heat buildings, a process known as cogeneration. Although limited by the demand for space heating, cogeneration is an economical and fuel efficient method of generating electricity that can be used to supply approximately 20% of the electric power needs of the University.

### Cooling Plant Improvements

The recommended cooling plant modifications will convert approximately one-half of the University's cooling capacity from steam to electric operation utilizing power purchased at the central substation. The modifications will reduce cooling costs by about 40%, conserve fuel resources, and lessen the University's future dependence on natural gas for space cooling.

### Heating System Extension

Extension of the central heating system south of Timberdell Road will reduce utility costs associated with the Law Center, which is inefficiently heated with electricity, and will provide an economical source of space heating for future facilities planned nearby.

## Additions to the Utility System

The recommended Utility System additions will provide an efficient and economical source of electric power, heating, and cooling for the School of Music, Energy Center, and other facilities planned through the year 1990. The present capacity of the University's central power, heating, and cooling plants, including the recommended substation, is sufficient to meet the utility requirements associated with these future facilities.

## PRESENT UTILITY SYSTEM

### General Description of Utility System

Approximately two-thirds of the University's utility requirements are met by a centralized utility system (the "Central Utility System" or the "Central System") - that is, electric power, heating, and cooling requirements are supplied by central plants. The Central System consists of a central power/heating plant (the "Power Plant") and two central cooling plants ("Chilled Water Plant No. 1" and "Chilled Water Plant No. 2") that serve a majority of the academic facilities and student housing on campus. These facilities are interconnected by an electric distribution and piping network located in underground tunnels.

The balance of the University's utility systems are decentralized - that is, utility service is supplied at a number of separate locations. Electric power is supplied in these areas primarily by OG&E at more than 70 metered locations on the north campus, south campus, and portions of the central campus. Heating and cooling in these areas is provided by individual plants serving one or more buildings.

### Power Plant

The Power Plant, located at the corner of Felgar Street and Jenkins Avenue, produces steam and electric power for the central campus. The Plant utilizes natural gas as a primary fuel and distillate fuel oil as a secondary or standby fuel. Originally constructed in 1950 and subsequently expanded in 1962, the Power Plant presently contains four steam generating units having a gross steam generating capability of 360,000 pounds per hour. Steam produced by the Plant is used for power generation, chilled water production, space heating, domestic water heating, and for various auxiliaries and other miscellaneous uses.

Power generation is provided by three extraction condensing steam turbine generators with a combined nameplate capability of 12,500 kilowatts. Turbine extraction steam is the primary source for space heating and domestic water heating on the central campus for buildings having a total area of approximately 3.7 million square feet.

### Central Cooling Plants

Chilled Water Plant No. 1, located adjacent to the Power Plant, was originally constructed in 1952 and subsequently expanded in 1957 and 1969. Chilled Water Plant No. 2 was originally constructed in 1960 as a

part of the Oklahoma Center for Continuing Education ("OCCE") and is located immediately south of Couch Cafeteria. Capacity additions were completed in 1964 and 1967.

The combined capacity of the two plants totals 12,600 tons, comprising ten condensing steam turbine and electric motor driven centrifugal chiller units. About 87% of this capacity is steam turbine driven utilizing steam supplied by the Power Plant. Presently, the two plants provide space cooling for buildings located on the central campus having a total area of approximately 3.2 million square feet.

#### Purchased Power

The University purchases electric power and energy for a majority of the facilities located on campus not served by the Power Plant from OG&E under retail rate schedules as filed with the Oklahoma Corporation Commission (the "OCC"). The retail purchase contracts with OG&E are renewable annually. Power is purchased under the Power and Light Rate Schedule PL-1 at 27 major metering points located on the north, central, and south campuses. Power is also purchased under the General Service Rate Schedule GS-1 at approximately 45 metering locations for facilities having relatively small electrical requirements. Residential service is provided by OG&E for the President's home.

The Yorkshire Apartment Complex, the only University facility not served by the Power Plant or OG&E, receives retail electric service at five metering locations from Oklahoma Electric Cooperative ("OEC"). OEC is an all requirements wholesale purchaser of Western Farmers Electric Cooperative, Inc., a generation and transmission cooperative located in Anadarko, Oklahoma.

#### Fuel Supply

The University's natural gas supply is purchased at over 21 metering locations from Oklahoma Natural Gas Company ("ONG") under retail rate schedules as filed with the OCC. Approximately 89% of the University's natural gas requirement is supplied at the Power Plant in accordance with the terms and conditions of Rate Schedule 501(G), General Gas Service (First Interruptible). The ONG Agreement became effective in March 1982 for an initial term of five years and is renewable year to year thereafter until terminated by either party giving thirty days' prior notice. At present the University does not anticipate future termination of natural gas service at the initiation of either party.

The terms and conditions of the ONG Agreement specify a minimum take or pay gas quantity of 4.0 million cubic feet per month and a maximum daily consumption of 3.6 million cubic feet. Neither condition of service is anticipated to detrimentally affect the future use of the Power Plant.

## Operation of Utility System

Operation and maintenance of the Utility System is the assigned responsibility of the Physical Plant Department under the Vice President for Administrative Affairs. This is accomplished with a staff of approximately 466 employees ranging from custodial and grounds-keeper personnel to licensed electricians and professional engineers.

The Utility System is operated under the "service unit" concept in accordance with guidelines established for colleges and universities. Costs incurred in the operation of the Utility System are allocated to the various user departments requiring utility services.

## Condition of Utility System

Field investigations conducted by the Engineer of Record indicate that the Utility System is in good condition and is well maintained relative to and in accordance with prudent utility practice. The University maintains qualified technical staff personnel to operate and maintain the Utility System and has equipment and personnel necessary to make needed repairs and replacements.

Major improvements have been constructed by independent contractors. The University's technical staff is capable of reviewing and approving plans and inspecting construction work which ultimately becomes an integral part of the overall Utility System.

## UTILITY SYSTEM IMPROVEMENT PROJECT

### Basis for Recommendations

More than fifty alternative improvements were considered and evaluated in the Utility System study conducted in 1982 to determine the potential for reducing costs and conserving energy. Each improvement was evaluated for economic feasibility based on 1982 operating records and cost data. The potential for conserving energy was based on an evaluation of fuel resources utilized on campus and, where applicable, fuel resources utilized elsewhere by power suppliers providing electric service to the University.

Related improvements were analyzed collectively in the study to determine the optimum combination of improvements providing the maximum benefit over time. Projects found to exhibit the highest cost effectiveness and energy conservation benefit are recommended for implementation as a part of the Project.

### Construction of Central Substation Facilities

The construction of new central substation facilities will enable the University to purchase power at transmission level voltage for all of the Norman Campus from OG&E, or other power supplier, at a single metering location. Such a facility will allow the University to take advantage of economical rates available to large power purchasers owning substation facilities and benefit from load centralization and diversification.

Currently, the University does not have the capability to purchase power in this manner and, as described previously, generates most of the power requirements of the central campus at the Power Plant. About 20% of this power can be generated efficiently and economically as a by-product of steam which is extracted from the Power Plant turbines to heat buildings. This process is known as cogeneration. The remaining power, however, must be generated in a conventional manner at a substantially higher cost to the University than would be expended if the same power were purchased from OG&E at a central metering location. In addition, the Power Plant is less efficient at generating electricity in the conventional manner than OG&E's larger power plants. This is illustrated on the following table, which compares the estimated costs and fuel requirements of the power sources utilized by the University during 1982.

TABLE 1  
Annual Power Supply Costs and Fuel Requirements  
Per Square Foot of Building Area in 1982

Power Source	Method of Power Supply	Power Cost (cents/sf)	Fuel Req'mt (1000 btu/sf)
Power Plant	Cogeneration of Electricity	14.4	48.8
Power Plant	Other Generation	60.9	197.6
OG&E	Individual Building Meters, Campus Average	52.6	125.3
OG&E	New Central Substation, Large Power Rate	36.5	125.3

The new substation facility will replace an existing OG&E substation which is located adjacent to the Power Plant, through which the University presently purchases supplemental electric power for the central campus. This substation is limited in capacity and scheduled to be removed as a part of the Energy Center project. The recommended project will consist of two separate substations: a high voltage substation located in the vicinity of Brooks Street and Classen Boulevard adjacent to OG&E's transmission system and, a low voltage substation located adjacent to the Power Plant. The two substations will be interconnected by parallel underground feeder lines.

While it is recommended that the practice of cogeneration be continued, the conventional method of power generation should, for the most part, be discontinued when the installation of the new substation facilities is completed. Conventional power generation should be used for standby purposes and, when it is economical to do so, as peaking capacity to reduce purchases of power from OG&E during peak demand periods, thus reducing demand charges. Implementation of this project will reduce power costs for the central campus, conserve fuel resources, provide the capability to centrally manage and control power supply, and reduce the University's dependence on natural gas used for power generation.

Recommended Project:

1. Construct a new 25 MVA substation, 138 kV to 12.5 kV, near Brooks Street and Classen Boulevard interconnecting with

OG&E's transmission system to enable bulk power purchases at transmission level voltage; construct a second 25 MVA substation, 12.5 kV to 2.4 kV, near the Power Plant to interconnect the transmission substation with the central campus electric system; install parallel 12.5 kV underground feeder lines between the two substations; include necessary funds for upgrade of OG&E transmission line to 138 kV.

Estimated completion cost including contingencies: \$2,710,000  
Estimated simple payback period: 3.1 Years

#### Extension of the University's Electric Distribution System

Extension of the central electric system to incorporate outlying campus areas is recommended as a second phase improvement coinciding with the installation of the new substation facilities. Such extensions were found to be cost effective for all areas of the Norman campus with the exception of the north campus.

The recommended extensions bordering the main campus will incorporate and centralize areas presently served by OG&E and OEC at over 70 metered locations. The extensions will provide a reliable source of electric power, purchased at a lower cost at the new central substation, for the athletic complex, Parkview Apartments, Couch Tower, Kraettli Apartments, Yorkshire Apartments, Lloyd Noble Center, and other facilities on the south campus. The recommended project will involve the acquisition and reconfiguration of existing OG&E distribution facilities located on the University campus and the construction of new underground distribution facilities.

Implementation of these improvements will reduce power costs for individually metered buildings and allow the University to centrally control and manage power supply for all of the central and south campuses. The improvements will also enable the University to effectively utilize the Power Plant as standby and peaking capacity for all buildings located in these areas.

#### Recommended Project:

1. Acquire existing OG&E 12.47 kV distribution feeders and install new underground 12.47 kV distribution feeders, transformers, and switching equipment as required to interconnect the central electric system with the athletic complex, Parkview Apartments, OCCE, Couch Tower, Law Center, and Tennis Courts.

Estimated completion cost including contingencies: \$605,000  
Estimated simple payback period: 3.4 Years

2. Acquire existing OG&E 12.47 kV distribution feeders and install new underground 12.47 kV distribution feeders, transformers, and switching equipment as required to interconnect the central electric system with the Kraettli Apartments, Constitution Apartments, Yorkshire Apartments, Mitchell

Field, Gymnastics, Lloyd Noble Center, and other facilities on the south campus.

Estimated completion cost including contingencies: \$907,000  
Estimated simple payback period: 3.2 Years

### Power Plant Improvements

The recommended improvements will maximize the capability of the Power Plant to generate electricity as a by-product of steam produced to heat buildings, a process known as cogeneration. Although limited by the demand for space heating, cogeneration is the most economical and fuel efficient source of power available to the University and can be used to supply approximately 20% of the electric power needs of the main campus.

The recommended improvements include equipment modifications and additions to the Power Plant to further improve cogeneration efficiency and increase cogeneration capability. Implementation of the improvements will reduce power costs and conserve fuel resources.

#### Recommended Project:

1. Modify two (2) existing 2500 kW Westinghouse turbine generators to allow full backpressure operation; install one (1) new 2000 kW backpressure turbine generator at the Power Plant to exhaust steam to the medium pressure steam distribution system.

As an alternate to the above project, install one (1) new 4000 kW backpressure turbine generator (evaluation and selection of best alternative should be made during design phase of project).

Estimated completion cost including contingencies: \$1,155,000  
Estimated simple payback period: 4.1 Years

### Cooling Plant Improvements

Steam-driven equipment supplies a majority of the cooling on the central campus, utilizing a process similar to conventional power generation. Equivalent cooling can be produced more efficiently and at a lower cost with electric motor-driven equipment utilizing power purchased at the new central substation. The following table compares the estimated costs and fuel requirements for these two methods of space cooling in 1982.

TABLE 2  
Annual Cooling Costs and Fuel Requirements  
Per Square Foot Building Area in 1982

Cooling Source	Method of Cooling	Cooling Cost (cents/sf)	Fuel Req't (1000 btu/sf)
Central Plant	Steam Driven Equipment	25.7	79.9
Central Plant	Electric Equipment-Central Power Supply	14.4	46.1



The recommended improvements will convert designated cooling equipment from steam to electric operation and will provide power supply for this equipment from the new central substation. The modifications will reduce cooling costs, conserve fuel resources, provide a cost effective means of replacing older plant equipment, and lessen the University's future dependence on natural gas used directly for space cooling.

#### Recommended Project:

1. For Chilled Water Plant No. 1: replace one (1) 1000-ton steam turbine driven chiller unit with a new electric motor-driven machine; convert one (1) 3000-ton chiller from steam turbine to electric drive. For Chilled Water Plant No. 2: convert one (1) 1000-ton machine from steam turbine to electric motor drive. For Yorkshire Apartment Complex: replace steam absorption chillers with electric motor driven centrifugal machines.

Estimated completion cost including contingencies: \$1,275,000

Estimated simple payback period: 5.5 Years

#### Heating System Extension

The Law Center is heated in a costly and inefficient manner utilizing electricity as the heat source. Extension of the central heating system south of Timberdell Road is recommended to provide an economical and fuel efficient source of space heating for the Law Center and future facilities planned nearby.

#### Recommended Project:

1. Install steam distribution piping and associated shallow tunnel system extending to the Law Center. Provide piping connections for future facilities planned for construction in the area.

Estimated completion cost including contingencies: \$246,000

Estimated simple payback period: 5.3 Years

### FUTURE UTILITY SYSTEM

#### Future Utility Requirements

The construction program outlined in the University's Capital Improvements Program, Supplement to the Master Plan, dated June 1979 and revised September 1981 (the "Capital Improvements Program") represents an average growth in total square footage for the central and south campuses of about 1½% per year for the next two decades. Analysis of the University's future utility requirements has been based on the planned construction included in the referenced report.

The utility requirements of future campus facilities can be met more efficiently and at a lower cost if they are served by the Central

Utility System rather than by decentralized systems. This cost advantage is illustrated on Table 3 based on 1982 utility data. In addition, expansion of the Central System will reduce the construction funds required to install building heating and cooling systems. Continued expansion of the Central System to serve future campus facilities will be beneficial and is recommended where it is feasible and practical to do so.

**TABLE 3**  
Annual Utility Costs for Central versus Decentralized Utility Service  
Per Square Foot Building Area in 1982

Utility Source	Electric (cents/sf)	Cooling (cents/sf)	Heating (cents/sf)
Central Utility System With Improvements	36.5	14.4	11.3(1)
Decentralized Utility Service	52.6	24.4	22.8

(1) Includes credit for cogeneration benefit.

### Additions to the Utility System

Engineering evaluations have been conducted and construction cost estimates have been prepared relating to the electric power, heating, and cooling extensions that will be required to provide utility service from the Central Utility System for the construction planned through the year 1990. Approximately 75% of these additions, which include utility extensions for the Energy Center and School of Music, will be required by fiscal year 1986. The present capacity of the University's Power Plant and central cooling plants, including the recommended substation, is sufficient to meet the utility requirements associated with these future facilities.

#### Recommended Utility System Additions:

- (1) Install electric power, steam, and chilled water system extensions, including electric distribution feeders, steam and chilled water piping, and underground tunnels, as required to provide utility service for the Energy Center, School of Music, and other construction planned through the year 1990 as outlined in the Capital Improvements Program.

Estimated completion cost including contingencies: \$3,088,000

### SUMMARY OF SALES, REVENUES AND EXPENSES

The following Exhibits B-1 through B-4 summarize the historical sales, revenues and expenses for the Utility System for the fiscal years 1979 through 1983, and the projected sales, revenues and expenses for the fiscal years 1984 through 1991. The methodology of preparation of the tables are described in the following sections.

#### Historical Summary

The historical data presented in Exhibit B-1 have been taken from Physical Plant operating records and are reported on a cash rather than

accrual basis. Operating revenues derived from the three principal users of utility services are indicated.

External users include separate budget agencies such as the Law Center, Oklahoma Geological Survey, and other entities leasing University facilities. Educational and general users include departments supporting the institutional, research, and administrative functions of the University which are funded principally by State appropriations and student fees. Auxiliary enterprises provide services to students, faculty, staff, and the general public and include student housing and the Athletic Department.

The Physical Plant Department, operating the Utility System as a service unit, sets utility rates and charges each user for utilities consumed. Rates are established to ensure recovery of costs incurred in operating and maintaining the Utility System.

#### Projected Summary

The projected sales, revenues and expenses presented in Exhibits B-2 through B-4 have been based upon a review of Utility System operating history and the applicable assumptions described herein. Projections for utility sales and purchases take into account anticipated campus growth, and allow for the trend in recent years of reduced consumption resulting from energy conservation efforts. Allocation of revenues according to source has been assumed to continue in the same relative proportion as in the past. Projected rates for purchased utilities have been based on historical trends as well as various sources of information regarding these rates. Other operating expenses have been assumed to increase at a rate generally corresponding with inflation. The projected annual growth rates used in developing the projections are summarized on the following table.

TABLE 4  
Projected Annual Growth Rates

Purchased Natural Gas - Unit Cost	18.0% through fiscal year 1986, 10.0% thereafter
Purchased Power and Energy - Unit Cost	14.7% through fiscal year 1988, 11.5% thereafter
Salaries and Wages	8.0%
Water and Sewage	4.0%
Equipment and Supplies	8.0%

The revenue and expense projections presented in Exhibit B-2 represent a continuation of past operating practices based on the assumption that the Utility System improvements described in the preceding sections of this report are not implemented. Essentially, this operating practice would require continued reliance on steam for power generation and chilled water production to meet the electric power and cooling needs of the central campus, and continued purchases of power at multiple metering points to provide electric service for the balance of the Norman campus. The revenue and expense projections exclude any capital expenditures for future additions to the Utility System.

The revenue and expense projections presented on Exhibit B-3 are based on the assumption that the Project is fully implemented according to the anticipated construction schedule by fiscal year 1986. Projections for utility expenditures have been adjusted to reflect the change in utility operations that will be possible after completion of the Project. The analysis includes interest income earned from bond reserves at an assumed interest rate of 10%, but excludes interest income on Project construction funds. The estimated level debt service relating to the Bonds has been based on an assumed interest rate of 10% and a 20-year retirement schedule. Required revenues as projected include an operating margin sufficient to provide funds for debt service that exceed the required minimum coverage.

The revenue requirements projected in Exhibits B-2 and B-3 are restated and compared in Exhibit B-4 for each operating year. The projections indicate a reduction in total revenues required to operate the Utility System of \$2.1 million (16.3%) for fiscal year 1986, \$1.2 million of which would be realized as savings for the educational and general budget for that year. The projected reduction in total required revenues increases to \$4.6 million (20.7%) by fiscal year 1991.

### CONCLUSIONS

Based upon our studies, the foregoing assumptions and our review of data and analyses provided by the University, we state the following:

1. The Project is justified at this time in order to reduce utility costs, conserve fuel resources, and provide for flexible and reliable utility service in the future.
2. The Project is feasible from an engineering design and construction standpoint, and the material and equipment to be used has proven serviceable in similar applications.
3. The Project will centralize utility systems on campus and reduce the University's dependence on natural gas for conventional power generation and chilled water production. These measures are consistent with improvement and modernization programs that have been implemented for other utility systems.
4. The construction cost estimates and economic projections relating to the Project have been developed using prudent engineering judgment and are based on assumptions that are reasonable for the purposes used herein. These evaluations indicate that the Project is cost effective and will provide a net reduction in utility expenditures after payment of debt service costs incurred to finance the associated improvements.

This report has been prepared at the request of the University for appending to the Official Statement relating to the issuance of the 1984 Bonds. The conclusions, observations, and recommendations contained herein constitute only the opinions of C. H. Guernsey & Company. The

various documents, statements, and other information supplied by the University have been relied upon as being accurate in the performance of these analyses. C. H. Guernsey & Company makes no certification and gives no assurances except as explicitly set forth in this Engineer of Record report.

We have reviewed the Official Statement to which this report is appended. In our opinion, the data presented therein, which is taken from this report, is accurately presented.

Respectfully submitted,

C. H. GUERNSEY & COMPANY

By /s/ C. H. Guernsey, Jr., P.E.  
President

EXHIBIT R-1  
SUMMARY OF HISTORICAL REVENUES AND EXPENSES

	Fiscal Year Ended June 30,				
	1979	1980	1981	1982	1983
<b>Utility Sales &amp; Usage:</b>					
<b>Utility Sales:</b>					
Steam (mlb)	444,595	413,841	434,992	420,847	390,055
Chilled Water (mtonhr)	11,258	10,859	13,455	13,029	13,668
Electricity (MWh)	71,797	68,629	74,000	76,211	73,278
Domestic Water (mg)	440,479	448,084	455,819	463,689	471,694
<b>Utility Production &amp; Usage:</b>					
Steam Produced (mlb)	926,240	862,168	906,234	876,765	812,614
Electricity Generated (MWh)	44,440	44,212	46,767	45,349	41,622
Natural Gas Purchased (mcf)	1,194,677	1,162,913	1,249,880	1,249,203	1,188,245
Electricity Purchased (MWh)	27,357	24,417	27,233	30,862	31,656
<b>Revenues &amp; Expenses:</b>					
<b>Operating Revenues:</b>					
External	\$182,961	\$284,724	\$350,305	\$396,504	\$447,985
Educational and General	2,438,795	2,737,046	3,353,286	4,081,827	4,885,774
Auxiliaries	1,397,718	1,738,766	1,894,009	2,491,779	2,889,465
<b>Total Operating Revenues</b>	<b>4,019,474</b>	<b>4,760,536</b>	<b>5,597,600</b>	<b>6,970,110</b>	<b>8,223,224</b>
<b>Operating Expenses:</b>					
Natural Gas	2,191,734	2,774,602	3,296,379	4,051,851	4,771,592
Electricity	872,152	836,105	1,116,915	1,487,633	1,618,097
Salaries and Wages	228,986	334,400	393,350	461,147	501,201
Water and Sewage	123,588	130,249	162,525	183,239	238,221
Equipment and Supplies	688,416	566,407	776,091	993,466	1,071,077
<b>Total Operating Expenses</b>	<b>4,104,876</b>	<b>4,641,763</b>	<b>5,745,260</b>	<b>7,177,336</b>	<b>8,200,188</b>
<b>Net Operating Revenues</b>	<b>(85,402)</b>	<b>118,773</b>	<b>(147,660)</b>	<b>(207,226)</b>	<b>23,036</b>
Prior Year Balance	454,661	369,259	488,032	340,372	133,146
<b>Cash Balance</b>	<b>\$369,259</b>	<b>\$488,032</b>	<b>\$340,372</b>	<b>\$133,146</b>	<b>\$156,182</b>

Refer to introductory discussion under the caption "Summary of Sales, Revenues and Expenses".

**EXHIBIT B-2**  
**SUMMARY OF PROJECTED REVENUES AND EXPENSES**  
**UTILITY SYSTEM WITHOUT PROJECT**

Fiscal Year Ending June 30,

	1984	1985	1986	1987	1988	1989	1990	1991
<b>Utility Sales &amp; Usages:</b>								
<b>Utility Sales:</b>								
Steam (mlb)	418,896	431,590	435,821	430,809	425,855	420,957	416,116	411,331
Chilled Water (mtonhr)	13,910	14,671	16,194	16,403	16,614	16,829	17,046	17,266
Electricity (MWh)	72,801	76,967	80,485	81,309	82,145	82,993	83,852	84,724
Domestic Water (mg)	480,206	487,373	496,930	499,414	501,911	504,421	506,943	509,478
<b>Utility Production &amp; Usages:</b>								
Steam Produced (mlb)	865,704	904,467	938,923	948,312	957,795	967,373	977,047	986,817
Electricity Generated (MWh)	39,816	41,599	43,184	43,615	44,052	44,492	44,937	45,386
Natural Gas Purchased (mcf)	1,346,735	1,400,263	1,447,880	1,461,087	1,474,423	1,487,890	1,501,490	1,515,222
Electricity Purchased (MWh)	32,985	35,368	37,301	37,694	38,093	38,500	38,915	39,337
<b>Revenues &amp; Expenses:</b>								
<b>Operating Revenues:</b>								
External	\$525,533	\$612,699	\$729,770	\$810,869	\$904,287	\$1,001,961	\$1,110,800	\$1,231,748
Educational and General	5,489,939	6,400,518	7,623,489	8,470,689	9,446,567	10,466,911	11,603,888	12,867,363
Auxiliaries	3,369,040	3,927,839	4,678,346	5,198,252	5,797,124	6,423,284	7,121,019	7,896,382
<b>Total Operating Revenues</b>	<b>9,384,511</b>	<b>10,941,056</b>	<b>13,031,605</b>	<b>14,479,811</b>	<b>16,147,978</b>	<b>17,892,155</b>	<b>19,835,706</b>	<b>21,995,493</b>
<b>Operating Expenses:</b>								
Natural Gas	5,309,978	6,514,817	7,948,898	8,823,545	9,794,493	10,872,350	12,068,896	13,397,208
Electricity	1,838,023	2,260,554	2,734,574	3,169,552	3,674,025	4,140,316	4,666,169	5,259,239
Salaries and Wages	541,297	584,601	631,369	681,878	736,429	795,343	858,970	927,688
Water and Sewage	247,750	257,660	267,966	278,685	289,832	301,426	313,483	326,022
Equipment and Supplies	1,156,763	1,249,304	1,349,248	1,457,188	1,573,763	1,699,664	1,835,638	1,982,489
<b>Total Operating Expenses</b>	<b>9,093,812</b>	<b>10,866,935</b>	<b>12,932,055</b>	<b>14,410,849</b>	<b>16,068,542</b>	<b>17,809,099</b>	<b>19,743,156</b>	<b>21,892,646</b>
<b>Net Operating Revenues</b>	<b>290,699</b>	<b>74,121</b>	<b>99,550</b>	<b>68,962</b>	<b>79,437</b>	<b>83,056</b>	<b>92,550</b>	<b>102,847</b>
Prior Year Balance	156,182	446,881	521,003	620,553	689,515	768,951	852,007	944,557
<b>Cash Balance</b>	<b>\$446,881</b>	<b>\$521,003</b>	<b>\$620,553</b>	<b>\$689,515</b>	<b>\$768,951</b>	<b>\$852,007</b>	<b>\$944,557</b>	<b>\$1,047,404</b>

Refer to introductory discussion under the caption "Summary of Sales, Revenues and Expenses".

EXHIBIT B-3  
SUMMARY OF PROJECTED REVENUES AND EXPENSES  
UTILITY SYSTEM WITH PROJECT

Fiscal Year Ending June 30,

	1984	1985	1986	1987	1988	1989	1990	1991
<b>Utility Sales &amp; Usage:</b>								
<b>Utility Sales:</b>								
Steam (mlb)	418,896	431,590	435,821	430,809	425,855	420,957	416,116	411,331
Chilled Water (mtonhr)	13,910	14,671	16,194	16,403	16,614	16,829	17,046	17,266
Electricity (MWh)	72,801	76,967	88,069	88,991	89,926	90,874	91,835	92,810
Domestic Water (mg)	480,206	487,373	496,930	499,414	501,911	504,421	506,943	509,478
<b>Utility Production &amp; Usage:</b>								
Steam Produced (mlb)	865,704	904,467	457,612	452,349	447,147	442,005	436,922	431,897
Electricity Generated (MWh)	39,816	41,599	12,269	12,392	12,516	12,641	12,767	12,895
Natural Gas Purchased (mcf)	1,346,735	1,400,263	553,644	557,908	562,213	566,558	570,944	575,371
Electricity Purchased (MWh)	32,985	35,368	75,800	76,599	77,410	78,233	79,068	79,915
<b>Revenues &amp; Expenses:</b>								
<b>Operating Revenues:</b>								
Internal	\$525,533	\$612,699	\$610,878	\$661,773	\$734,672	\$806,663	\$887,194	\$976,881
Educational and General	5,489,939	6,400,518	6,381,492	6,913,168	7,674,701	8,426,744	9,268,012	10,204,914
Utilities	3,369,040	3,927,839	3,916,163	4,242,440	4,709,774	5,171,284	5,687,549	6,262,503
<b>Total Operating Revenues</b>	<b>9,384,511</b>	<b>10,941,056</b>	<b>10,908,533</b>	<b>11,817,382</b>	<b>13,119,147</b>	<b>14,404,691</b>	<b>15,842,755</b>	<b>17,444,297</b>
<b>Operating Expenses:</b>								
Natural Gas	5,309,978	6,514,817	3,120,621	3,459,329	3,834,849	4,251,186	4,712,783	5,224,566
Electricity	1,833,023	2,260,554	3,947,474	4,574,862	5,302,185	5,973,946	6,731,096	7,584,521
Salaries and Wages	541,297	584,601	631,369	681,878	736,429	795,343	858,970	927,688
Water and Sewage	247,750	257,660	267,966	278,685	289,832	301,426	313,483	326,022
Equipment and Supplies	1,156,763	1,249,304	1,367,048	1,476,412	1,594,525	1,722,087	1,859,854	2,008,643
<b>Total Operating Expenses</b>	<b>9,093,812</b>	<b>10,866,935</b>	<b>9,334,479</b>	<b>10,471,167</b>	<b>11,757,820</b>	<b>13,043,988</b>	<b>14,476,186</b>	<b>16,071,440</b>
<b>Net Operating Revenues</b>	<b>290,699</b>	<b>74,121</b>	<b>1,574,054</b>	<b>1,346,215</b>	<b>1,361,327</b>	<b>1,360,703</b>	<b>1,366,569</b>	<b>1,372,857</b>
Interest Income	-	-	145,695	145,695	145,695	145,695	145,695	145,695
Prior Year Balance	156,192	446,881	521,003	783,797	818,753	868,821	918,265	973,575
<b>Funds Available for Debt Service</b>	<b>446,881</b>	<b>521,003</b>	<b>2,240,751</b>	<b>2,275,707</b>	<b>2,325,775</b>	<b>2,375,219</b>	<b>2,430,529</b>	<b>2,492,127</b>
Debt Service	-	-	1,456,954	1,456,954	1,456,954	1,456,954	1,456,954	1,456,954
<b>Cash Balance</b>	<b>\$446,881</b>	<b>\$521,003</b>	<b>\$783,797</b>	<b>\$818,753</b>	<b>\$868,821</b>	<b>\$918,265</b>	<b>\$973,575</b>	<b>\$1,035,173</b>
<b>Debt Coverage</b>	<b>-</b>	<b>-</b>	<b>1.54</b>	<b>1.56</b>	<b>1.60</b>	<b>1.63</b>	<b>1.67</b>	<b>1.71</b>

Refer to introductory discussion under the caption "Summary of Sales, Revenues and Expenses".



EXHIBIT B-4  
 PROJECTED REDUCTION IN REQUIRED OPERATING REVENUES  
 UTILITY SYSTEM WITH PROJECT

Fiscal Year Ending June 30,

	1984	1985	1986	1987	1988	1989	1990	1991
--	------	------	------	------	------	------	------	------

Required Revenues Without Project:

External	\$525,533	\$612,699	\$729,770	\$810,869	\$904,287	\$1,001,961	\$1,110,800	\$1,231,748
Educational and General	5,489,939	6,400,518	7,623,489	8,470,689	9,446,567	10,466,911	11,603,888	12,867,363
Auxiliaries	3,369,040	3,927,839	4,678,346	5,198,252	5,797,124	6,423,284	7,121,019	7,896,382
<b>Total Operating Revenues</b>	<b>9,384,511</b>	<b>10,941,056</b>	<b>13,031,605</b>	<b>14,479,811</b>	<b>16,147,978</b>	<b>17,892,155</b>	<b>19,835,706</b>	<b>21,995,493</b>

Required Revenues With Project:

External	525,533	612,699	610,878	661,773	734,672	806,663	887,194	976,881
Educational and General	5,489,939	6,400,518	6,381,492	6,913,168	7,674,701	8,426,744	9,268,012	10,204,914
Auxiliaries	3,369,040	3,927,839	3,916,183	4,242,440	4,709,774	5,171,284	5,687,549	6,262,503
<b>Total Operating Revenues</b>	<b>9,384,511</b>	<b>10,941,056</b>	<b>10,908,533</b>	<b>11,817,382</b>	<b>13,119,147</b>	<b>14,404,691</b>	<b>15,842,755</b>	<b>17,444,297</b>

Reduction in Required Revenues:

External	-	-	118,892	149,096	169,615	195,298	223,605	254,867
Educational and General	-	-	1,241,997	1,557,521	1,771,866	2,040,166	2,335,876	2,662,449
Auxiliaries	-	-	762,183	955,812	1,087,350	1,252,000	1,433,469	1,633,879
<b>Total Reduction</b>	<b>-</b>	<b>-</b>	<b>\$2,122,072</b>	<b>\$2,662,429</b>	<b>\$3,028,831</b>	<b>\$3,487,464</b>	<b>\$3,992,951</b>	<b>\$4,551,196</b>
<b>Percent Reduction</b>	<b>-</b>	<b>-</b>	<b>16.3</b>	<b>18.4</b>	<b>18.8</b>	<b>19.5</b>	<b>20.1</b>	<b>20.7</b>

Projections are based on completion of construction by Fiscal Year 1986.  
 Refer to introductory discussion under the caption "Summary of Sales, Revenues and Expenses".

EXHIBIT B-5  
 ESTIMATED COMPLETION COST  
 UTILITY SYSTEM IMPROVEMENT PROJECT  
 (000)

	<u>Construction</u>	<u>Fees</u>	<u>Contin-</u> <u>gencies</u>	<u>Total</u>
New central substation facilities . . . . .	\$2,322	\$ 95	\$ 293	\$2,710
Electric system extensions - central campus . . . . .	496	34	75	605
Electric system extensions - south campus . . . . .	743	52	112	907
Power Plant improvements . . . . .	909	64	182	1,155
Cooling Plant improvements . . . . .	1,090	76	109	1,275
Heating System extension . . . . .	193	14	39	246
Utility System additions . . . . .	<u>2,645</u>	<u>104</u>	<u>339</u>	<u>3,088</u>
 Total Project Cost . . . . .	 <u>\$8,398</u>	 <u>\$439</u>	 <u>\$1,149</u>	 <u>\$9,986</u>

EXHIBIT B-6  
 ESTIMATED CASH FLOW REQUIREMENTS  
 UTILITY SYSTEM IMPROVEMENT PROJECT  
 (000)

Fiscal Year 1984:		
3rd Quarter . . . . .		\$ 496
4th Quarter . . . . .		695
Fiscal Year 1985:		
1st Quarter . . . . .		892
2nd Quarter . . . . .		1,191
3rd Quarter . . . . .		2,245
4th Quarter . . . . .		1,886
Fiscal Year 1986 . . . . .		1,787
Subsequent to Fiscal Year 1986 . . . . .		<u>794</u>
 Total Project Cost . . . . .		 <u>\$9,986</u>

## APPENDIX C

### THE UNIVERSITY OF OKLAHOMA

A report published by the Chronicle of Higher Education, October 26, 1983, ranked Oklahoma 23rd in the nation in total appropriations to higher education. In terms of rate of improvement in the past two years, Oklahoma is 7th in the nation. In terms of rate of improvements in the past ten years, Oklahoma is 4th in the nation. Oklahoma has increased support for higher education by over 305% in the past ten years.

#### Mission of the University

The broad functions of the University include: (1) both lower- and upper-division undergraduate study in a number of fields leading to the bachelor's or first-professional degree; (2) graduate study in several fields of advanced learning leading to the master's degree; (3) graduate study in selected fields leading toward the doctor's degree; (4) organized basic research; and (5) statewide programs of continuing education and public service.

A University's first priority is the development of excellence in programs of education and research at graduate and post-graduate levels, but excellence in undergraduate teaching is essential to our graduate education and research. The University supplies teachers and educational resources for the rest of the state system of higher education, as well as professionally trained leaders of state and regional industry and government. Graduates also can complete nationally for academic and professional employment. The University's research programs constitute a source of developing knowledge for all areas of graduate and professional study, thereby enriching the people in institutions of the state, the region, and the nation.

#### General Information

In 1890, seventeen years before Oklahoma became a state, the University of Oklahoma was founded upon authority of an act of the first legislature of the Territory of Oklahoma. The act stated the purpose of the University was "to provide the means of acquiring a thorough knowledge of the various branches of learning connected with scientific, industrial, and professional pursuits."

Students were accepted for the first time in the fall of 1892, and the first two graduates received the degree of pharmaceutical chemist in 1896. Two years later the first two bachelor of arts degrees were awarded. The first master's degree was conferred in 1900, the first degree of doctor of medicine in 1911, and the first doctoral degree in 1929. More than 130,000 degrees have been granted by the University. Degrees granted for the school year of 1982-83 were:

## 1982-83 Academic Year

<u>Degree</u>	<u>Norman Campus</u>	<u>Health Sciences Center</u>	<u>Total</u>
Bachelor	2,380	381	2,761
Master	720	120	840
Doctorate	141	31	172
J.D.	230	--	230
D.D.S. & M.D.		231	231

The University of Oklahoma is located in Norman, near the center of the state, and in Oklahoma City, the capitol. The offices of administration are in Norman. It is the fourth largest city in the state with an estimated population of 72,000. On the Norman campus are the Graduate College, College of Arts and Sciences, College of Business Administration, College of Education, College of Engineering, College of Environmental Design, College of Fine Arts, College of Geosciences, College of Law, College of Liberal Studies, and University College (the freshman division). On the Oklahoma City campus are the College of Allied Health, College of Dentistry, College of Medicine, College of Nursing, College of Pharmacy, College of Public Health, and the Graduate College-Health Sciences Center; there is also a College of Medicine branch program in Tulsa.

The north campus in Norman houses the University Computing Services, Max Westheimer Field (the University-operated airport which also serves the city of Norman), and Swearingen Research Park, where government agencies and industry have established facilities.

Other research and study units in Oklahoma include the Biological Station on Lake Texoma, the Earth Sciences Observatory at Leonard near Tulsa, and the Aquatic Biology Fisheries Research Center in Noble near Norman, the Energy Resources Center, the Climatological Survey, and the Archaeological Survey in Norman. In addition, the Oklahoma Geological Survey is a separate state agency located on the Norman Campus and responsible to the University of Oklahoma Regents.

The University is a part of the Oklahoma State System of Higher Education. The Oklahoma State Regents for Higher Education is the coordinating board of control of the system which is composed of all higher education institutions supported wholly or in part by state appropriations. Colleges not supported by the state may become part of the state system.

The University as a part of the public education system of the state, established by legislative action and supported by legislative appropriations made annually, places emphasis on sound scholarship, good citizenship, and the duties of the individual to the community and the commonwealth.

By constitutional enactment, the government of the University is vested in the Regents of the University of Oklahoma, a board consisting of seven members appointed by the Governor with the advice and consent of the state senate. Each member is appointed to serve for seven years, except when appointed to fill an unexpired term, and is subject to removal from office only as provided by law for the removal of officers not liable to impeachment.

The Oklahoma State Regents and the University Regents approve the requirements for admission and graduation, the degrees offered, and the fees and expenses. The boards reserve the right to change these requirements.

The President is charged with the educational and business management of the entire University. Upon recommendation of the faculties and by the authority vested in him or her by the Regents, the President confers all degrees.

The Provost, Norman Campus, and the Provost, Health Sciences Center, are the chief administrative officers for the two campuses and provide academic and administrative leadership.

The University Registrar supervises admission to the University and registration and keeps the academic records of all students.

The Vice President for Student Affairs and staff are the officials responsible for the nonacademic activities, programs, and services of student life.

The University College coordinates the programs of study in the freshman year, provides an advisory system, and assists the student in choosing a field of advanced study. The administrative functions are exercised by the Dean and a council.

Each college, except the University College, has its own faculty, consisting of the dean and the members of the faculty who teach courses in the college. The faculties set the requirements for graduation for the several schools and colleges and recommend to the President that he or she confer degrees on those students who have completed these requirements. The dean of each college is its executive officer.

The General Faculty of the University of Oklahoma, Norman Campus, is composed of all faculty members with regular appointments. The Norman Campus General Faculty does not include faculty members with temporary appointments. The Norman Campus Faculty Senate, composed of fifty members apportioned among the general faculty and the faculties of the colleges, is the legislative committee of the general faculty, its recommendations being subject to review by the faculty, and approval by the President. Total full-time faculty for fall of 1983 were:

Total Fall Full-Time Faculty	
	<u>1983-84</u>
Norman Campus	799
Law	30
Library	27
Geological Survey	<u>11</u>
Total	867

Student Admission, Enrollment and Degrees Conferred

The following tables provide a profile of the University's undergraduate and graduate enrollment, number of bachelor, masters and doctoral degrees conferred and freshman admissions.

STUDENT ENROLLMENT

<u>Academic Year</u>	<u>Undergraduate</u>	<u>Graduate</u>	<u>Law</u>	<u>Total</u>
Headcount Fall 1983	16,464	4,407	641	21,512
Headcount Fall 1982	16,781	4,113	638	21,532
Headcount Fall 1981	16,698	3,886	637	21,221
Headcount Fall 1980	16,526	3,940	643	21,109
Headcount Fall 1979	16,252	4,188	650	21,090
Headcount Fall 1978	15,203	4,526	628	20,357
Headcount Fall 1977	13,254	4,410	582	18,246

FRESHMAN ADMISSIONS

<u>Class of</u>	<u>Applied</u>	<u>Accepted</u>	<u>Matriculated</u>
1974	NA	4,024	2,741
1975	NA	3,995	2,744
1976	NA	3,295	2,625
1977	NA	2,992	2,388
1978	NA	3,627	2,870
1979	4,426	4,065	3,200
1980	4,510	4,169	3,074
1981	4,712	4,252	3,125
1982	4,956	4,596	3,195
1983	4,300	3,950	2,700
1984	4,085	3,750	2,600
1985	4,205	3,860	2,675
1986	4,330	3,975	2,760
1987	4,294	4,082	2,665

Tuition and Fees

As provided in the constitution and Statues of Oklahoma the Oklahoma State Regents for Higher Education have the responsibility for prescribing and coordinating enrollment fees in the Oklahoma State System of Higher Education within the limits authorized by the legislature.

The General Fee and Non-Resident Tuition have increased three times since 1980-81. The increase has totaled approximately fifty-one percent (51%). It is anticipated that Fees and Tuition will increase again in 1984-85 by between the and fifteen percent (10% - 15%).

General fees and Non-Resident Tuition are charged on the basis of course level as presented in the following schedule:

	General Enrollment Fee Pre Credit Hour	Student Activity Fee	Total Required For Resident Student Per Credit Hour	Additional Tuition Per Credit Hour Non-Resident Student	Total Required For Non-Resident Student Per Credit Hour
Lower Division Course Work (1000 & 2000 Courses)	17.55	3.30	20.85	43.65	64.50
Upper Division Course Work (3000 & 4000 Courses)	20.55	3.30	23.85	50.60	74.45
Graduate Course Work (5000 & 6000 Courses)	24.80	3.30	28.10	60.85	88.95

### New Construction

In the past five years, the University of Oklahoma has undertaken many new construction projects as well as the renovation of existing structures.

Most prominent is the 150,000 sq. ft. Doris W. Neustadt Wing addition to the Bizzell Memorial Library. The \$13 million addition, which opened in May, 1982 doubled the size of the existing library, and added 1,100 more seating spaces, 37 new faculty studies, and a 700,000 volume increase in stack capacity making room for the recent addition of the 2 millionth volume -- the greatest scholastic depository in the State of Oklahoma.

Other new construction includes: the South End Zone of Owen Stadium, \$7.6 million; Richards Hall Addition, \$1.5 million; the Huston Huffman Physical Fitness Center, \$7.33 million, L. Dale Mitchell Baseball Park, \$1.1 million; Gymnastics Practice Facility, \$762,000. Under construction is the \$45 million Energy Center and \$13.4 million Music Building.

The Renovation of existing buildings is an ongoing project. Recent renovations include DeBarr Hall Renovation, \$2.9 million; Burton Hall Renovation, 1.2 million; Jefferson House Renovation, \$936,000; Electron Microscopy Laboratory, \$1.1 million; Felgar Hall Renovation, \$300,000; Felgar Hall Library, \$360,000; and Gould Hall Renovation, \$422,000.

Total investment in plant June 30, 1983 was approximately \$231 million. Total building area is approximately 6.9 million square feet.

Utility Bonds Amortization  
10% Rate of Interest

APPENDIX D

Period	Interest Due	Bond Payment	Total Due Semi-Annual	Bonds Outstanding
1	625,000.00	103,477.00	728,477.00	12,500,000.00
2	619,826.15	108,650.85	728,477.00	12,396,523.00
3	614,393.61	114,083.39	728,477.00	12,287,872.15
4	608,689.44	119,787.56	728,477.00	12,173,788.76
5	602,700.06	125,776.94	728,477.00	12,054,001.20
6	596,411.21	132,065.79	728,477.00	11,928,224.26
7	589,807.92	138,669.08	728,477.00	11,796,158.47
8	582,874.47	145,602.53	728,477.00	11,657,489.39
9	575,594.34	152,882.66	728,477.00	11,511,886.86
10	567,950.21	160,526.79	728,477.00	11,359,004.20
11	559,923.87	168,553.13	728,477.00	11,198,477.41
12	551,496.21	176,980.79	728,477.00	11,029,924.28
13	542,647.17	185,829.83	728,477.00	10,852,943.50
14	533,355.68	195,121.32	728,477.00	10,667,113.67
15	523,599.62	204,877.38	728,477.00	10,471,992.36
16	513,355.75	215,121.25	728,477.00	10,267,114.98
17	502,599.69	225,877.31	728,477.00	10,051,993.72
18	491,305.82	237,171.18	728,477.00	9,826,116.41
19	479,447.26	249,029.74	728,477.00	9,588,945.23
20	466,995.77	261,481.23	728,477.00	9,339,915.49
21	453,921.71	274,555.29	728,477.00	9,078,434.27
22	440,193.95	288,283.05	728,477.00	8,803,878.98
23	425,779.80	302,697.20	728,477.00	8,515,595.93
24	410,644.94	317,832.06	728,477.00	8,212,898.73
25	394,753.33	333,723.67	728,477.00	7,895,066.66
26	378,067.15	350,409.85	728,477.00	7,561,343.00
27	360,546.66	367,930.34	728,477.00	7,210,933.15
28	342,150.14	386,326.86	728,477.00	6,843,002.80
29	322,833.80	405,643.20	728,477.00	6,456,675.94
30	302,551.64	425,925.36	728,477.00	6,051,032.74
31	281,255.37	447,221.63	728,477.00	5,625,107.38
32	258,894.29	469,582.71	728,477.00	5,177,885.75
33	235,415.15	493,061.85	728,477.00	4,708,303.03
34	210,762.06	517,714.94	728,477.00	4,215,241.18
35	184,876.31	543,600.69	728,477.00	3,697,526.24
36	157,696.28	570,780.72	728,477.00	3,153,925.56
37	129,157.24	599,319.76	728,477.00	2,583,144.83
38	99,191.25	629,285.75	728,477.00	1,983,825.08
39	67,726.97	660,750.03	728,477.00	1,354,539.33
40	34,689.46	693,787.54	728,477.00	693,789.30
	16,639,081.76	12,499,998.24	29,139,080.00	0.00