

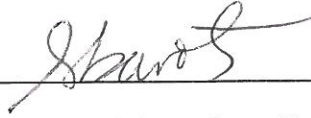
## Revolving Loan Fund (RLF) Agreement

- 1) The Office of the Chancellor has designated \$1M to establish a Revolving Loan Fund (RLF) that can be used for utility conservation projects at the University of Illinois at Urbana-Champaign. The Student Sustainability Committee has agreed to contribute \$500k to the RLF, and an additional contribution of \$500K will be requested from the Office of the President.
- 2) Savings from projects will be returned to the fund at fully-loaded utility rates, until the funds invested in that project are repaid. When a project is funded by multiple funding sources, the annual savings to be returned to the RLF will be calculated by the payback associated with the work completed by the funds from the RLF.
  - a. For example, Project A costs \$500K and has a \$100K per year payback. The RLF contributes an additional \$400K to increase the scope of work and increase the savings to be \$250K per year. Thus, the total project would cost \$900K with an annual cost savings of \$350K per year. The RLF would be repaid at \$250K per year.
- 3) Projects will be requested by departments, with information of how each project impacts the selection criteria.
  - a. In FY12, the potential projects will be solicited from F&S. These will include, at a minimum, Lighting Retrofits and Steam Savings projects.
  - b. Starting in FY13, the potential projects will be solicited from any campus department, including F&S, the Auxiliaries, and other campus departments.
- 4) Project selection will be handled through the AFMFA Board, which will now be referred to as the AFMFA/Conservation Board. The Board will be modified to include the Student Sustainability Committee (SSC) chair as a student member.
  - a. In FY12, the SSC chair will be added as a fifth student member.
  - b. Starting in FY13, the four student members will be the Student Body President, the Student Trustee, the Chair of the Student Sustainability Committee and one at-large member.
  - c. The non-student representatives will be from F&S, the Provost, Research and Student Affairs. This is unchanged.
- 5) Criteria for allocation of monies from the fund (through a Strata-based process<sup>1</sup>) will be:
  - 01. Payback Period**  
*Project has a short payback period.*
  - 02. Reduction of Coal**  
*Does this project reduce the use of coal for campus power generation?*
  - 03. Fund Size Impact**  
*Projects that increase the fund size through grants or additional allocations.*
  - 04. Visibility**  
*How visible is the project to users of the facility / space?*
  - 05. Project Coordination**  
*Projects that leverage multiple funding sources to achieve a greater impact or reduce administrative workload.*

1. Strata is a computer program used by the AFMFA committee to select projects for funding. First committee members provide weights for selection criteria that are averaged together. Then Committee members score individual projects based on how well they meet a given selection criterion. These weighted scores are then averaged and used to select projects.

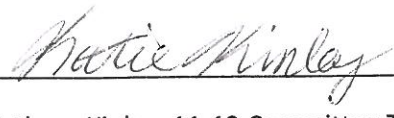
- 6) The RLF will grow through the following methods.
- a. The Chancellor, President, or SSC can elect to increase the fund through a direct allocation. The Office of the Chancellor has agreed that future contributions to the funds from the SSC will be matched by Campus.
  - b. When a selected project is eligible for grant funding (for example through DCEO or ICECF) and F&S handles the grant application and accounting, the grant dollars will contribute to the growth of the Loan Fund.
    - i. For example, Project A for Dept X costs \$900K and has a 3-yr payback period. It is funded by the Revolving Loan Fund CFOP. Dept X gets a grant for \$300K. The grant funds offset the loan fund CFOP charges, but Dept X is still responsible for repaying \$300K for 3 years. The result is an increase to the Loan Fund of \$300K. (This is a positive selection criterion.)
  - c. When a selected project is eligible for grant funding and the Department handles the grant application and accounting, the grant dollars MAY contribute to the growth of the Loan Fund, as determined on a case-by-case basis. (The decision will impact the selection criterion about growth of the fund.)

**Student Sustainability Committee:**

  
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Suhail Barot, 11-12 Committee Chair

Date Approved: 11/16/2011

  
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Kathryn Kinley, 11-12 Committee Treasurer

Date Approved: 11/16/11

  
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McKenzie Beverage, Program Advisor

Date Approved: 11/16/11

**Facilities and Services:**

  
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John Dempsey, Executive Director

Date Approved: \_\_\_\_\_

**Office of Sustainability:**

  
\_\_\_\_\_

Pradeep Khanna, Acting Director

Date Approved: 11/17/11

**Office of the Chancellor**

  
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Michael Andrechak, Associate Chancellor

Date Approved: 11/22/11